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Comprehensive Annual Financial Report

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CITY OF BOSTON

Massachusetts

For the Year Ended June 30, 1991



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City of Boston,
Massachusetts

Comprehensive Annual Financial Report

For the Year Ended June 30, 1991

Raymond L. Flynn, Mayor

Sally M. Degan, City Auditor



Prepared by the City of Boston Auditing Department



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Comprehensive Annual Financial Report

For the Year Ended June 30, 1991

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INTRODUCTORY SECTION



December 19, 1991

The Honorable Mayor and
Members of the City Council:

I am pleased to submit to you the 1991 Comprehensive Annual Financial Report (CAFR) for the City of Boston, Massachusetts (City). The Auditing Department has prepared this report to present the financial position of the City at June 30, 1991, and the results of operations and cash flows for its proprietary funds and nonexpendable trust funds for the year then ended. The financial statements and supporting schedules have been prepared in accordance with generally accepted accounting principles and meet the requirements of the Commonwealth of Massachusetts and the City Charter.

Our report contains all the organizations and activities for which the City exercises oversight responsibility. This report excludes certain organizations; the notes to the financial statements discuss the criteria for their exclusion from these statements.

The report is presented in three distinct sections. These sections are:

- The **Introductory Section** includes information about the City's organization, initiatives, and accomplishments for Fiscal Year 1991 (FY-91).
- The **Financial Section** includes the independent auditors' opinion, the general purpose financial statements, and the combining statements and schedules for the City's funds and account groups.
- The **Statistical Section** contains ten years of summary financial data, debt computations, and a variety of demographic, economic, and general information. This section is designed to provide additional information to the reader about the City and its operations.

The accuracy of the City's financial statements and the completeness and fairness of the presentation is the responsibility of the City's management. The City maintains a system of internal controls designed to provide a reasonable assurance that the assets are safeguarded against loss or unauthorized use and that the financial records can be relied on to produce financial statements following generally accepted accounting principles. The concept of reasonable assurance recognizes that the costs of maintaining the system of internal controls should not exceed the benefits likely to be derived. The Auditing Department's Internal Audit staff reviews the systems of control.

Controls are also imposed by the City's adopted budget. This control is maintained through a series of integrated accounts and funds in the City's financial system. A system of encumbrance control is also maintained for the City's purchase orders, service orders, and other contractual commitments.

The Commonwealth of Massachusetts through Chapter 190 of the Acts of 1982, requires that the City undergo an annual audit performed by a firm of independent public accountants. The City has selected the firm of KPMG Peat Marwick to perform the FY-91 audit. This audit, is conducted in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. The audit provides an independent review that helps to assure a fair presentation of the City's financial position and results of operations.

In addition to the Commonwealth's audit requirements the Federal government requires that the City undergo an audit of its Federal grant funds. This audit requirement has been imposed by the Single Audit Act of 1984. In addition to their opinion on the City's financial statements KPMG Peat Marwick issues separate reports on the City's internal control systems and compliance with applicable laws and regulations. These reports, issued under a separate cover, meet the requirements of the Single Audit Act and the Office of Management and Budget Circular A-128.

I would like to express my appreciation to the staff of the Accounting and Financial Reporting Unit whose professionalism and dedication made the timely preparation of the CAFR possible. I wish to thank all the members of the Auditing Department staff whose daily contributions and assistance were invaluable in the preparation of this CAFR. At the conclusion of the Introductory Section, I have included a list of the Auditing Department's staff whose significant contributions made this report possible. I also want to thank the other City departments and agencies who provided additional information for the CAFR.

Finally, I want to thank you for your continued interest in the financial operations of the City, and for the planning and support necessary to conduct the City's financial operations in a responsible manner.

Sincerely,



Sally M. Degan
City Auditor

Economic Conditions and Outlook

The City is the economic center of both the Commonwealth and New England. As the center, it has been adversely affected by the region's economic recession. Additionally, the budget problems that have adversely impacted the Commonwealth have also directly affected the City and the services it provides. Economically sensitive indicators such as tourism and convention revenues, and City revenues from building permits and business licenses have declined. The Commonwealth's unemployment rate increased from 5.8% in June 1990 to 9.5% in June 1991¹.

The outlook for Fiscal Year 1992 (FY-92) is uncertain at best. Many of the region's economists predict that the current recession will be deeper and last longer than in other areas of the country. Additionally, the Commonwealth's economy which relies on high technology and defense may experience further cutbacks. This is especially true in the area of defense spending as the Department of Defense reduces its spending for weapons systems and research in response to its own budget constraints. These reductions impact the Commonwealth's budget as the revenues from income, business and sales taxes are reduced. The reduction in turn may impact Boston as a significant portion of the City's budget is provided by the Commonwealth through State Distributions. For example, the City's local aid from the Commonwealth was reduced by 15.6% (\$39.1 million) from FY-91 to FY-92.

Other City revenues such as parking fines, licenses, and permits are expected to decrease from their FY-91 levels. Should these decreases together with the reductions in other revenues be more than the City has anticipated in its original FY-92 budget additional reductions in department appropriations may have to be made since the Mayor has promised the City's residents and taxpayers that he will continue to maintain a balanced budget.

Major Initiatives

For Fiscal Year 1991

Budget Initiatives. The Mayor's FY-91 priorities of public safety, health care, and youth services were reflected in the budget enacted by the City Council in June 1990. The following departments received increased appropriations: Police (\$3.5 million), Fire (\$1.1 million), Schools (\$17.9 million), Health and Hospitals (\$5.6 million), and the Community Schools (\$0.7 million). These increases accounted for \$28.9 million or 70.8% of the total budget increase. The balance of the increase was used to fund increased employee benefits costs and the Commonwealth's assessments and charges.

Closing of Long Island Hospital. The Department of Health and Hospitals (DH&H) was forced to close the City's Long Island Chronic Care facility as of June 30, 1991. This facility

¹ Source: Federal Reserve Bank of Boston, New England Economic Indicators - July 1991, p.10

was one of two long term care facilities operated by the City. Anticipated City budget reductions in FY-92, the rising costs of providing health care, and the increasing disparity between DH&H costs and the reimbursements received were sighted as the reasons for the closing. A homeless shelter operating on the grounds was not affected by the closure.

Youth Campaign. The Youth Campaign, established in 1989, is a cooperative partnership between the City, the business and religious communities, neighborhood leaders, and the City's residents, that focuses on the City's youth, their activities and development. The Campaign has provided educational and recreational activities, adult mentors, safe parks and playgrounds, and other facilities and programs for the City's young people. During the summer of 1990 the Campaign secured 8,310 jobs for the City's youth. The City was also able to return street workers to the neighborhood during the same period. The City using grant funds, private contributions, and tax levy funding has increased funding for the Campaign's programs from \$26.4 million in FY-90 to \$37.6 million in FY-91². Additionally, the City has also established a community based youth initiatives program through the receipt of a \$2.5 million grant.

In conjunction with the Youth Campaign, the City has provided through its Capital Improvement Program, a total of \$120 million for refurbishing of the parks and playgrounds throughout the City. These resources have been provided on an ongoing basis since 1989.

Bonded Debt Issues. The City's infrastructure improvements continued with the issuance of tax exempt bonds totalling \$265.5 million in FY-91. In November, 1990, the City issued \$169.4 million in revenue bonds specifically for the reconstruction and equipping of the new Boston City Hospital (BCH) inpatient facility and the renovation and consolidation of existing hospital facilities which is expected to be complete in 1994. This issuance was backed, in part, by the revenues of the BCH revenues and an insured mortgage from the Federal Housing Administration.

The mortgage insurance was provided under Section 242 of the National Housing Act. Obtaining this insurance marks the first time a municipal hospital has obtained federal insurance through this program. The issue was rated AA by the Standard and Poors Corporation (S&P) and Aa by the Moody's Investor Services (Moody's).

The second issue was \$96.2 million of general obligation bonds and was brought to the market in May 1991. This issue included \$16.2 million for the advance refunding of a portion of the City's outstanding general obligation debt. The balance, \$80 million, will be used to finance various capital projects included in the City's Five Year Capital Plan.

The City obtained insurance from the Municipal Bond Investors Assurance Corporation for the advance refunding portion of this issue. The insured portion of the bond was rated AAA by S&P and Aaa by Moody's. The balance of the issue was rated A by both firms.

² Source: City of Boston, PFD/Community Schools Division, 1991 Guide to Youth Services, p 1.

Financial Systems Improvements. The Auditing and Treasury Departments continued to improve the City's financial system during the year. Major projects focusing on improved income and tax reporting to the Internal Revenue Service (IRS) and the Commonwealth's Department of Revenue (DOR) were completed. These projects helped to ensure that the City remained in compliance with a number of IRS and DOR reporting requirements.

The second series of projects focused on increased reporting to the City's departments and agencies. These projects tracked the timeliness of invoice payments from their receipt by the individual departments to the ultimate payment by the City. The Auditing Department's efforts on these projects were to provide departments with information on invoice payment lag times.

For Fiscal Year 1992 and Beyond

FY-92 Budget Reductions. The City again was forced to reduce its FY-92 operating budget to match its projected revenues. With the exception of the Commission on the Homeless all City departments have seen their budgets reduced, from their FY-91 levels. In many cases these reductions have also led to personnel reductions. Several of the City's individual boards and commissions have been consolidated into one operating department to enable the City to operate the commissions more efficiently by taking advantage of shared staffing and resources. While the City has taken several different approaches to reducing its budget, ultimately these cuts may result in service reductions to the City's residents.

Restructuring of the Boston School Committee. On July 5, 1991 Governor Weld signed legislation to allow the City to change from an elected school committee to a seven person board appointed by the Mayor. The individuals appointed by the Mayor for staggered terms came from a group of candidates selected by a citizens advisory committee. The restructuring took place on January 6, 1992 with the expiration of the former School Committee's term in January 1992. The legislation provides a sunset provision that allows the City's voters to return to an elected committee. This would be decided through a binding referendum in the November 1996 election.

Opening of the Suffolk County House of Correction. In December 1991 the City opened a new Suffolk County House of Correction (SCHC) in the South Cove area of the City. This modern facility replaced the antiquated structures at Deer Island. The new facility increased the number of cells available for prisoners. For the first time SCHC also has facilities to incarcerate women prisoners.

The facilities at Deer Island will be demolished as part of the Boston Harbor Cleanup Project by the Massachusetts Water Resources Authority (MWRA). A new sewage treatment plant will take the place of the existing buildings.

City Wide Recycling Program. The City has begun two recycling programs for its residents. The first is for newspapers. This program, operated by the Public Works Department, hopes to have a positive impact on both the environment and the City's waste disposal costs.

The program started in September 1991 after an extensive advertising campaign in the City's neighborhoods.

The second program, started in conjunction with the Boston Water and Sewer Commission (BWSC), is to recycle waste oil. This program enables the City's residents to drop off their waste oil at a central location instead of disposing it in the City's sewers. This program will help to reduce the BWSC water treatment costs. This potential reduction in costs could then be passed on to the City's residents through reductions in sewage treatment charges.

Boston Harbor Clean Up. This federally mandated project will continue through the year 2000, under the direction of the MWRA. It will provide the residents of metropolitan Boston with a cleaner harbor and improved sewage treatment facilities at Deer and Nutt Islands. The project is financed by Environmental Protection Agency grant funds, the Commonwealth, and the rate payers of the MWRA's service area. It is hoped that a substantial number of construction jobs will be available to the City's residents during the life of the construction project.

Reconstruction of the Central Artery. The U.S. Department of Transportation's Federal Highway Administration has provided funds for the underground depression of Boston's Central Artery, Interstate 93. Additional funds have also been included for the construction of a third harbor tunnel to the Logan International Airport. The Commonwealth is contributing matching funds to both projects. The projects which are expected to be complete in 1999, will provide the City with additional "green space" in the core City, reduction in the traffic congestion on the Central Artery, and a number of jobs during the construction of the project. In FY-91 major portions of the design work and environmental impact studies were completed and approved. Also, necessary relocations of City businesses and residents were begun.

Financial and Control Systems

Budgetary Basis. The financial information presented in the balance of the Introductory Section, with the exception of information on the General Fund undesignated fund balance, Enterprise Fund, and Trust and Agency Funds, has been presented on a budgetary basis of accounting. The discussion of the General Fund undesignated fund balance, the Enterprise Fund, and Trust and Agency Funds contains information which is presented in accordance with generally accepted accounting principles.

The budgetary basis has been defined by the Commonwealth for its cities, towns, and districts. It differs from generally accepted accounting principles primarily in the timing of the recognition of revenues and expenditures. A discussion of the differences is contained in the footnotes to the City's general purpose financial statements.

Internal Controls. The City's managers are responsible for both establishing and maintaining an effective internal control structure. These controls are designed to reasonably assure that the City's assets are protected from loss, theft, or misuse. The controls also help to

assure that adequate accounting data are compiled to allow for the preparation of financial statements in accordance with generally accepted accounting principles.

The internal control structure is designed to provide a reasonable, but not absolute, assurance that these control objectives are met. The idea of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires judgements and estimates by management.

The City Auditor is responsible for evaluating the adequacy and effectiveness of the control structure. A periodic evaluation of the control structure's effectiveness is conducted by the City Auditor's Internal Audit Unit.

Single Audit. The Single Audit Act of 1984 (PL 98-502) requires the City to annually conduct an audit of the Federal financial assistance it has received. This audit is conducted simultaneously with the City's annual financial statement audit. The audit must also comply with the Office of Management and Budget's Circular A-128.

A significant portion of the Single Audit work is devoted to evaluating the City's internal control structure. The evaluation includes tests of a significant number of individual grant transactions that occurred during the fiscal year. This evaluation also requires that the auditor, "Determine whether the organization has complied with laws and regulations that may have a material effect on each major Federal financial assistance program."³ All of the City's major federal programs (those programs with annual expenditures of more than \$3 million) are evaluated. A sample of non-major programs is also evaluated for the adequacy of the internal control structure by the auditors.

The City's Single Audit report for the year ending June 30, 1990 provided no instances of material weaknesses in the internal control structure, nor were any significant violations of the applicable laws and regulations found. The Single Audit report for the period ending June 30, 1991 had not been completed at the time the CAFR was prepared. The report will be publicly issued under a separate cover.

Financial System. The Auditing Department maintains an integrated computerized financial accounting system for its accounting, revenue, and expenditure functions. This system provides the City with increased control over its financial assets and allows the preparation of financial reports and statements in a timely manner. Additionally, the system allows the City to account for and prepare reports and statements on a budgetary basis.

The Auditing Department also maintains an encumbrance accounting system. This system accounts for the City's purchase orders, service orders, and other contractual commitments.

³ Source: Office of Management and Budget, Circular A-128 Audits of State and Local Governments, paragraph 8.b.

Budgetary Controls. In addition to its internal control structure the City also maintains budgetary controls. The objective of these controls is to ensure compliance with the legally mandated budget enacted by the City Council. Activities of the General Fund are included in the annual budget. The budgets within the Special Revenue Fund are established based on specific grant requirements or specific legislation and do not constitute law. The activities of the City's Capital Projects Fund are also approved by the City Council, and specific project budgets are established for each of the projects. These budgetary controls reside within the City's financial system.

The level of budgetary control is established by the function and activity within the individual fund. Budgetary control in this context means the level at which expenditures cannot legally be exceed the appropriated amount. In the case of the General Fund this control is at the department level. In the case of the Special Revenue and Capital Projects Funds the control is at the grant or project levels respectively.

General Fund Revenue Summary

The General Fund revenues are grouped into the following 12 categories:

<i>Real and Personal Property Taxes</i>	These taxes are levied annually and are the largest single revenue source for the City. The City's tax rate for FY-91 was \$8.93 per \$1,000 of assessed value for residential real estate and \$25.09 per \$1,000 for commercial real estate and personal property taxes.
<i>Motor Vehicle and Other Excise</i>	This group is composed of the excise taxes levied on motor vehicle or boat owners who garage their vehicles or port the boats in Boston. State law sets a rate of \$25.00 per \$1,000 of assessed value for these taxes.
<i>Local Excise Taxes</i>	This group is comprised of Hotel/Motel Room Excise, Aircraft Fuel Excise, and Condominium Conversion taxes.
<i>Departmental and Other Revenue</i>	This group consists of various departmental charges for services. Street Cuts and Repairs, Prior Year Reimbursements, and revenues from City owned parking facilities are the major sources of revenue in this category.
<i>Hospital</i>	Revenues from private insurers, Medicare/Medicaid, and individuals for in and out patient services. It also includes reimbursements for care at the City's long term health care facilities.

<i>State</i>	State entitlements, payments in lieu of taxes for the Commonwealth's facilities, and for services performed by the City on behalf of the Commonwealth.
<i>In Lieu of Taxes</i>	Negotiated payments received from various not for profit organizations, colleges and universities, and Chapter 121A urban development corporations.
<i>Licenses and Permits</i>	Building permits, occupational licenses, alcoholic beverages, and cable television fees.
<i>Investment Income</i>	Interest earned on the City's overnight and long term investments.
<i>Fines</i>	Parking fines, fines, forfeits and costs levied by the district, municipal, and superior courts within the City.
<i>Sale of Garages</i>	The annual portion of the deferred revenue generated from the sale of a City owned garage (Kilby Street) in 1986. These payments are scheduled to continue for the next nine fiscal years.
<i>Other Financing Sources</i>	Transfers from other funds and use of the General Fund's undesignated fund balance.

The following table is a comparison of the General Fund revenue for FY-91 and FY-90. An analysis of the significant changes in these revenues accompanies the table.

City of Boston, Massachusetts

Comparative General Fund Revenues
Fiscal Years 1991 and 1990
(\$ Millions)

	1991		1990		Inc./ (Dec.)	
	\$	%	\$	%	\$	%
Real Property Taxes	529.1	38.7	494.9	36.8	34.2	6.9
Motor Vehicle Excise	18.9	1.4	20.0	1.5	(1.1)	(5.6)
Local Excise Taxes	28.1	2.0	28.2	2.1	(0.1)	(0.3)
Departmental Revenue	38.0	2.8	55.9	4.2	(17.9)	(32.0)
Hospital	179.9	13.2	158.0	11.8	21.9	13.9
State Distributions	423.7	31.0	461.7	34.3	(38.0)	(8.2)
In Lieu of Taxes	21.3	1.5	20.6	1.5	0.7	3.4
Licenses and Permits	13.5	1.0	14.1	1.0	(0.6)	(4.1)
Investment Income	14.5	1.1	16.9	1.3	(2.4)	(14.3)
Fines	52.6	3.8	44.1	3.3	8.5	19.2
Sale of Garages	0.5	0.0	0.0	0.0	0.5	100.0
Other Financing Sources	<u>47.9</u>	<u>3.5</u>	<u>30.2</u>	<u>2.2</u>	<u>17.7</u>	<u>58.8</u>
Total Revenues	1,368.0	100.0	1,344.6	100.0	23.4	1.7
Prior Year Deficits	<u>0.0</u>	<u>0.0</u>	<u>(1.0)</u>	<u>(100.0)</u>	<u>1.0</u>	<u>100.0</u>
Net Revenues Available	<u>1,368.0</u>	<u>100.0</u>	<u>1,343.6</u>	<u>100.0</u>	<u>24.4</u>	<u>1.8</u>

Significant Revenue Changes by Source

Real and Personal Property Taxes

The City's revenue increased \$33.8 million over the FY-90 revenues. In addition to an increase in the tax rate the City was also able to generate additional tax commitments during the year that were not on the tax roles in FY-90.

Departmental Revenue

This revenue source decreased 32% (\$18 million) from FY-90 to FY-91. The largest shortfall was in revenues from street cuts. Receipts from this revenue source of \$5.4 million were 65.3% of the budgeted level of \$8.3 million. Other significant shortfalls were experienced in the interest and penalties from the late payment of various taxes. Significantly higher than expected collections from prior year reimbursements for the school building assistance program during FY-90 also contributed to the decrease compared to FY-91.

Hospital

A \$16 million third party settlement received in October 1990 was the most significant portion of the \$21.9 million increase.

State Distributions

The decrease of \$38.0 million was due to a cut back in entitlements provided by the Commonwealth to the City.

The decrease was part of an effort by the Commonwealth to balance its FY-91 budget.

Investment Income

A reduction in the amount of cash available for investment was the primary cause of the \$2.4 million decrease in this revenue source. Slower than anticipated receipts and the reduction in local aid distributions effectively reduced the available cash balance. Reductions of interest rates were also a factor in the reduction of income.

Fines

The \$8.5 million (19.2%) increase was due to an increase in individual parking fines. The increase was approved in May 1990 by the City Council. Despite this increase, parking fine receipts of \$49.9 million in FY-91 were still \$7.7 million under budget.

Other Financing Sources

The \$17.7 million increase is directly attributable to the City's use of its undesignated fund balance to support its current operations. This portion of the funding source increased from \$20 million in FY-90 to \$38.6 million in FY-91. Reductions in transfers from other funds accounted for the difference.

General Fund Expenditure Summary

The City's General Fund is grouped into the following expenditure functions.

General Government

This function accounts for the services provided by the legislative and executive branches. Expenditures which cannot be accounted for in other categories are included here.

Human Services

This function accounts for the expenditures used to provide direct services to the City's residents. It includes such departments as Veteran Services and the Commissions on the Affairs of the Elderly and Persons with Disabilities. This function also included the necessary close out costs for the Mayor's Office of Jobs and Community Services as it transferred to the Economic Development and Industrial Commission in July 1990.

Public Safety

Public safety functions including the Police, Fire, and Inspectional Services Departments.

<i>Public Works</i>	Includes expenditures for maintaining the City's infrastructure, refuse collection, and snow removal.
<i>Property and Development</i>	Maintenance of City owned properties and the development of land taken in tax title proceedings.
<i>Parks and Recreation</i>	Maintenance of the City's parks and cemetery facilities and year round recreational opportunities are provided to City residents through the expenditures in this category.
<i>Libraries</i>	Operations of the City's library system.
<i>Schools</i>	Support for the school system's activities.
<i>Health and Hospitals</i>	This function accounts for the health care expenditures of the Department of Health and Hospitals (DH&H), BCH, the two chronic care facilities maintained by the City during FY-91 and the Community Outreach Program.
<i>County Corrections</i>	Maintenance of the facilities and prisoners incarcerated in two correctional facilities.
<i>Judgements and Claims</i>	Expenditures for legal settlements.
<i>Employee Benefits</i>	Accounts for the City's portion of the various benefits it provides.
<i>Contributions To Retirement Funds</i>	Expenditures for the City's portion of its employees' retirement benefits.
<i>Debt Requirements</i>	Accounts for the annual portion of the City's debt service.
<i>State and District Assessments</i>	Accounts for the costs of various State charges for services provided and independent authorities and commissions whose budget is in part funded by the City through these assessments.

The table below provides a comparison of the City expenditures by function for FY-91 and FY-90. An analysis of the significant changes in expenditures by function has also been included.

City of Boston, Massachusetts

Comparative General Fund Expenditures Fiscal Years 1991 and 1990 On a Budgetary Basis (\$ Millions)

	1991		1990		Inc./ (Dec.)	
	\$	%	\$	%	\$	%
General Government	43.7	3.2	43.8	3.3	(0.1)	(0.2)
Human Services	6.6	0.5	7.2	0.6	(0.6)	(8.3)
Public Safety	245.0	17.9	244.0	18.3	1.0	0.4
Public Works	65.1	4.8	65.7	4.9	(0.6)	(0.9)
Property and Development	25.9	1.9	27.2	2.0	(1.3)	(4.8)
Parks and Recreation	13.4	1.0	14.5	1.1	(1.1)	(7.6)
Libraries	21.8	1.6	21.9	1.6	(0.1)	(0.5)
Schools	389.0	28.5	374.4	28.1	14.6	3.9
Health and Hospitals	194.4	14.2	186.8	14.0	7.5	4.1
County Corrections	31.0	2.3	26.5	2.0	4.5	17.0
Judgements and Claims	6.7	0.5	7.1	0.5	(0.4)	5.6
Employee Benefits	64.2	4.7	57.5	4.3	6.7	11.7
Contrib. to Retirement	121.7	8.9	124.1	9.3	(2.4)	(1.9)
Debt Requirements	85.7	6.3	82.3	6.2	3.4	4.1
State Assessments	<u>51.3</u>	<u>3.7</u>	<u>50.3</u>	<u>3.8</u>	<u>1.0</u>	<u>2.0</u>
Total Expenditures	<u>1,365.5</u>	<u>100.0</u>	<u>1,333.3</u>	<u>100.0</u>	<u>32.2</u>	<u>2.4</u>

Significant Changes in General Fund Expenditures

Property and Development and Parks and Recreation

The change in these two functions was caused primarily by budget reductions and cost containment measures implemented by the City.

Schools

Increased expenditures for teachers salaries, student transportation, and special education programs accounted for most of the \$14.6 million, or 3.9%, increase in this function.

Health and Hospitals

This function's expenditures increased by \$7.5 million over the prior year. In addition to the increased cost for providing basic health care to the City, Boston expanded its programs to provide services to the City's most needy residents. Increased resources provided programs for AIDS patients, maternal and child care, and the City's homeless.

County Corrections

Expenditures in this function increased by 16.6% or \$4.4 million from the prior year. Additional costs were due, in part, to the opening of a new jail facility to replace the Charles Street Jail. Increased overtime costs were also incurred to provide security for inmates at the severely overcrowded SCHC. A significant reduction in a grant

received from the Commonwealth used to fund part of the operation at the SCHC also increased the expenditures in this function.

Employment Benefits

Increased costs to provide the City's employees with health insurance coverage accounted for the \$6.7 million (11.7%) increase in this function.

Contributions to Retirement

A decrease of \$2.5 million resulted from the calculation of the City's contribution using the pay as you go method.

State Assessments

The increase of \$1 million in this function was primarily due to an increased assessment for the operations of the Massachusetts Bay Transit Authority. The Authority's operations are funded, in part, through an assessment to each of the member cities and towns.

The City's major investment is in its employees. The following table provides a summary of the General Fund's expenditures by object code. The table shows that 52.4% of the 1991 expenditures related to personnel services costs. Benefits for the employees were an additional \$183.6 million or 13.4% of the total FY-91 expenditures. The majority of the employee benefit expenditures were placed in the following object classes: (1) current charges and obligations (\$56.9 million), (2) special appropriations (\$13.7 million), and (3) retirement services (\$113 million).

General Fund Expenditures
By Object Class
(\$ Millions)

Object Class	\$	%
Personnel Services	715.1	52.37
Contractual Services	147.3	10.79
Supplies and Materials	80.3	5.88
Current Charges and Obligations	84.5	6.19
Equipment	47.2	3.45
Special Appropriations	40.0	2.93
Structures and Improvements	0.7	0.05
Capital	0.0	0.00
Land and Non-Structural	0.4	0.03
Retirement Services	113.0	8.28
Debt Service	85.7	6.27
State Assessments	<u>51.3</u>	<u>3.76</u>
Total	<u>1,365.5</u>	<u>100.00</u>

Cash Management

The City's Collector-Treasurer uses pooled cash and investments for all eligible City funds. The goal of this pool is to maximize income while minimizing exposure and ensuring sufficient liquidity to meet the City's payment obligations. All City funds are pooled except for trust funds, certain grant funds, and bond proceeds. The investment of the funds not included in the pool are controlled by various trust agreements, grant regulations, and bond trustee agreements, respectively.

The Collector-Treasurer sets the City's investment policies. These policies are governed by portions of Massachusetts General Laws Chapters 29 and 41. The Commonwealth also has a list of approved securities and other investments that the City may use as part of its pool. These approved investments include: (1) securities that have been issued or unconditionally guaranteed by the U.S. government or its agencies with a maturity date of less than one year from the date of purchase; (2) demand, term, and certificates of deposit; (3) repurchase agreements that have a maturity of less than one year guaranteed with U.S. government or its agencies securities with a maturity of less than 90 days; (4) bonds issued by other states; and (5) interest rate swaps. Additionally, demand, term, and certificates of deposit must be collateralized when they exceed certain levels. Generally, the City's investment policy centers around receiving a competitive yield for its investible cash and minimizing credit and market risks.

All investment earnings, with certain specific exceptions, are included in the General Fund's investment income account. On June 30, 1990 the Collector-Treasurer reported total cash and investments of \$325.3 million. During FY-90 the Collector-Treasurer received an average yield of 8.7% on the investable cash. On June 30, 1991 the Collector-Treasurer reported a cash and investments balance of \$530.1 million. The FY-91 average yield was 7.5%

Risk Management

The City is self insured in most areas of risk including general liability, auto liability (except school buses), workers compensation, unemployment compensation, and real property. In addition the City self insures certain medical personnel employed by DH&H, for medical malpractice. The City's Corporation Counsel defends the City in any lawsuits that arise from the normal course of operations. Settlements of legal claims are paid through the City's claims and judgements account in the General Fund. These claims are accounted for on a pay as you go basis.

The City's health insurance program, administered by the Health Insurance and Benefits Division of the Administrative Services Department, provides coverage to the City's employees and retirees through a number of health maintenance organizations (HMOs) and Blue Cross and Blue Shield of Massachusetts (BCBS). BCBS acts as a third party agent administering the payments and claims for the City. The operations of the BCBS plans are accounted for in a separate Health Claims Trust Fund. Costs to the City for the HMOs are accounted for in the General Fund as part of employee benefits.

General Fund Undesignated Fund Balance

The General Fund undesignated fund balance represents the City's reserve for a rainy day. This reserve may help the City to withstand unexpected emergencies, revenue shortfalls, or unanticipated expenditures.

The budgetary basis undesignated fund balance, as of June 30, had increased from \$41.9 million in FY-86 to \$125.9 million in FY-90, a 200% increase. In FY-91 the undesignated fund balance was reduced to \$86.6 million, a 31.2% decrease. Much of the increase in the undesignated fund balance through FY-90 can be attributed to a strong local economy. The decrease in FY-91 was necessary to preserve the City's services. At the close of FY-91 the undesignated fund balance was 7.7% of the City's total General Fund revenues. The City believes that the undesignated fund balance provides a sufficient reserve to withstand unexpected events or revenue shortfalls during FY-92.

The City also used undesignated fund balance to provide supplemental appropriations to departments during the fiscal year and to provide additional revenues during the tax rate setting process. The use of the City's fund balance for these purposes must be pre-approved by the Commonwealth's Department of Revenue. This approval process is known as the certification of "free cash". Figure 1, on the following page, illustrates that in FY-87 the City began using free cash to supplement appropriations to various departments of the City. Beginning in FY-90 free cash was also used to provide the City with additional revenues for setting the tax rate. This use of free cash reached its height in FY-91 with the commitment of \$38.6 million. An additional \$10.9 million has been appropriated by the City Council to support the FY-92 tax rate.

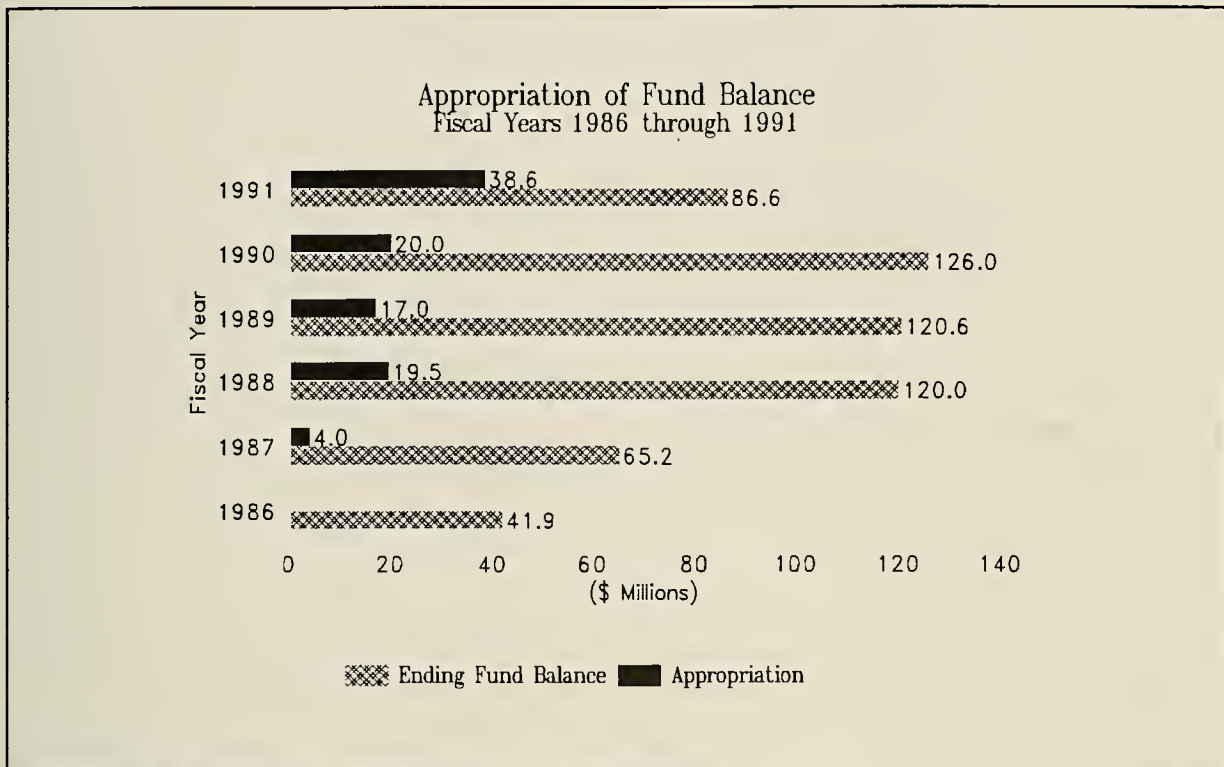


Figure 1

Capital Improvement Program

The City since 1984 has made significant strides in identifying necessary capital improvements and securing the funding, primarily through general obligation bonds, to make those improvements.

Beginning in FY-85 the City annually, through the Mayor's Office of Capital Planning, has published a Five-Year Capital Plan. This plan has provided the City with a framework for project identification and a method to identify potential funding sources for these projects. The 1991 update to the Capital Plan identified \$823.5 million for current and future projects⁴. The table below provides a breakdown of the areas and departments impacted by those projects.

⁴ Source: City of Boston, Mayor's Office of Capital Planning, Rebuilding Boston, Five Year Capital Plan Fiscal Years 1991-1995, February 1991, p 16.

Capital Project Budget
Department or Use
(\$ Millions)

Department or Use	\$	%
Economic Development and Industrial Corp.	1.6	0.19
Public Facilities-Development Division	4.4	0.53
Fire Department	11.7	1.42
Recreation Facilities	23.9	2.90
Boston Redevelopment Authority	25.4	3.09
Police Department	27.8	3.38
Libraries	35.5	4.31
Parks and Cemeteries	65.5	7.96
Municipal and Historic Facilities	71.2	8.65
Public Schools	122.5	14.88
Health and Hospitals	192.0	23.31
Public Works	<u>242.0</u>	<u>29.38</u>
Current Project Needs	<u>823.5</u>	<u>100.00</u>

The project costs include several projects that will have an impact on the City and residents into the 21st century. The following synopsis describes some of those projects.

Children with AIDS Facility

This facility, designed specifically to care for children who have contracted AIDS will be constructed in the grounds of the Mattapan Chronic Disease Hospital. The facility replaces a wing of Boston City Hospital which has been dedicated since 1986 to the care of these children. It will provide a more homelike setting for 20 in-patients and a day care setting for an additional 16 children. Construction on the facility began in FY-91.

Police Headquarters

This project will replace the City's antiquated facilities on Berkeley Street. It will provide the Police Department with the opportunity to consolidate its administrative functions and several operational groups that are now located in different areas of the City. The new facility will also provide opportunities for the City to install an Enhanced 9-1-1 System and to expand and improve several investigative laboratories. Located in the Southwest Corridor, it will take advantage of a large open tract of land that is easily accessible to other parts of the City. It is hoped that the project, whose design began in FY-91, will also act as an economic catalyst for the area both while it is under construction and after it has been completed.

School Building Projects

Capital infusion to the City's public school buildings remains a high priority. The FY-91 Capital Plan included \$122.5 million for rehabilitation of various school buildings.

This represents approximately 14% of the City's total approved capital projects. These projects include installation of energy efficient heating systems, rehabilitation of electrical systems, and construction of barrier free access at various schools. Through a combination of capital funds and reimbursements from the Commonwealth's School Assistance Bureau, the City expects to maintain a high level of both commitment and activity in this area.

Public Works Projects

The City's greatest commitment in the current Capital Plan is to Public Works projects and the rebuilding of the infrastructure. Currently 29.3% or \$242 million has been allocated to a number of different public works projects. The City has placed emphasis on preservation and revitalization of neighborhood business districts. Current projects also emphasize improvements made in conjunction with commercial and industrial development and for housing construction programs. The City is also emphasizing the coordination with other agencies as part of its infrastructure projects. This will become critical as the depression of the Central Artery begins.

Debt Administration

At June 30, 1991 the City had \$548.6 million in direct debt outstanding. This debt consists primarily of general obligation bonds, that included both term and serial issues. An additional \$169.3 million in revenue bonds for the reconstruction of Boston City Hospital were also outstanding.

The ratio of the City's bonded general obligation debt to the assessed valuation continues to remain favorable. At June 30, 1991 this ratio was 1.46% and the debt per capita was \$926.30. These amounts compared favorably with the 1.34% and the \$782.80 at June 30, 1990. Additional analysis of the City's debt position has been included in the Statistical Section of this CAFR.

The City's bond rating remained stable in FY-91. Moody's and S&P rated the Boston City Hospital Revenue Bond issue as Aa and AA, respectively. The City's \$96 million General Obligation Bond issue was rated A by both agencies for the uninsured portion of \$80 million. The insured portion of \$16.2 million was rated Aaa and AAA by the respective agencies.

Operations of the Enterprise Funds

The City's Enterprise Fund consists of the operations of the DH&H, the Trustees of Health and Hospitals, and the Economic Development and Industrial Corporation (EDIC). The

largest of these is the DH&H. As a group the funds reported a decrease in fund equity of \$13.4 million from FY-90 to FY-91. Figure 2 graphically depicts the combined retained earnings for FY-91 and the past five years. The reduction in retained earnings in FY-91 is due mainly to third party payment liabilities incurred through DH&H operations.

In addition to the debt issued for the Hospital's reconstruction, the EDIC issued a \$10.5 million bond for the construction of a parking facility. The facility will be constructed at the Boston Marine Industrial Park.

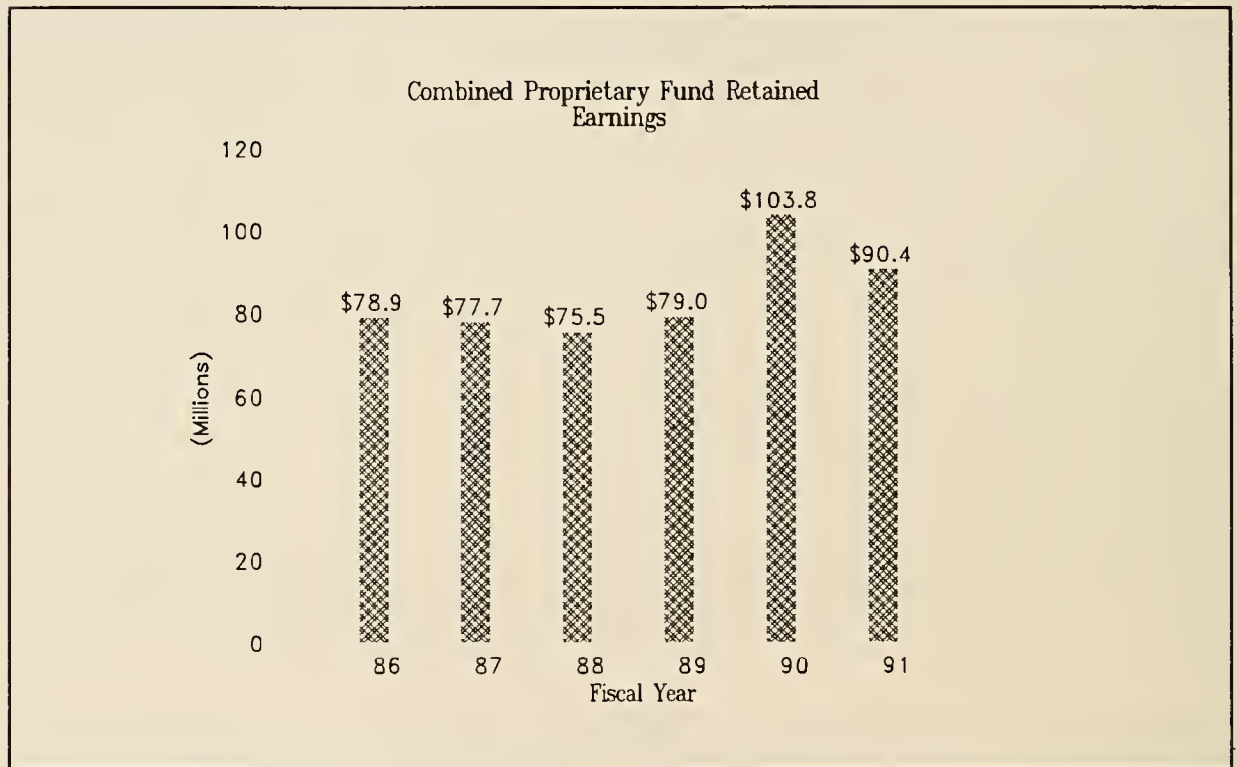


Figure 2

Trust and Agency Funds

The Trust and Agency Funds are used to account for trustee and agency relationships that the City maintains with its employees, other governments (Federal and Commonwealth), private corporations and individual donors and benefactors.

The City's largest Trust Fund is the State-Boston Retirement System (SBRS). Additional detail on this fund is included in the following section. The Trust Funds also includes the operations of two other pension systems the Boston Retirement System and the Health and Hospital Pension Trust.

The resources of the nonexpendable and expendable trust funds are used primarily to provide additional benefits to the City's residents and the City's employees. Monies from these funds are used for certain infrastructure improvements, purchase of equipment, scholarships for Boston Public School students, and jobs and affordable housing for the neediest residents of the City.

The City also holds funds as an agent primarily for other governmental units. Most of the funds held within the agency fund provide for urban development and housing initiatives.

As a group in FY-90 the individual trust and agency funds had a total equity of \$1.105 billion. The employee retirement funds accounted for approximately \$1 billion of the total fund equity. As of June 30, 1991 the combined fund equity for the Trust and Agency Funds was \$1.100 billion with the pension funds accounting for 92.3%, \$1.015 billion, of this total.

Pension Funds

The City is the largest member of the State-Boston Retirement System (SBRS). SBRS is a cost sharing multiple employer public employee system operated under Chapter 32 of the Massachusetts General Laws. As of June 30, 1991 SBRS total assets had exceeded \$1 billion. An unaudited footnote detailing the distribution of the \$1.024 billion of SBRS cash and investments has been provided in the footnotes to the City's general purpose financial statements.

Currently, SBRS is funded through contributions by City employees and the City. The City's contribution mandated by the Commonwealth's Public Employee Retirement Administration (PERA) and is currently on the pay-as-you-go method. This method will change in FY-94 to an actuarially determined contribution amount as the result of the City's acceptance of Chapter 697 of the Acts of 1988. Chapter 697 also mandates that the City make sufficient contributions to fully fund its unfunded actuarial liability over a forty year period.

The City also operates the Boston Retirement System (BRS). BRS is the predecessor to SBRS and is open to employees and retirees of the City whose employment began prior to 1946. BRS is also funded on a pay-as-you-go basis, however, it was not subject to Chapter 697 and will continue to be funded using the same basis.

The footnotes to the financial statements provide information about the accumulated pension benefit obligation of the SBRS as of June 30, 1991. The City portion of the accumulated pension benefit obligation and the net assets available to fund this obligation has also been included.

Acknowledgements and Other Information

Acknowledgements. The preparation of the CAFR was made possible by the professionalism and dedication of the entire staff of the Auditing Department. The Auditing Department staff who have significantly contributed to the preparation of the CAFR have been listed at the conclusion of this section. Several other City departments also assisted the Auditing Department in the preparation of the CAFR. We gratefully acknowledge their efforts and contributions to this report. We also wish to thank the professional staff of KPMG Peat Marwick, for their advice, technical assistance, and encouragement in the preparation of this CAFR.

Awards. The Government Finance Officers Association (GFOA) has awarded a Distinguished Budget Presentation Award to the City for the Fiscal Year beginning July 1, 1990. In order to be awarded a Distinguished Budget Presentation Award the City published a budget document that meets the program criteria as (1) a policy document, (2) an operations guide, (3) a financial plan, and (4) a communications medium.

Independent Audit. Chapter 190 of the Acts of 1982 requires the City to obtain an annual audit by independent certified public accountants. The accounting firm of KPMG Peat Marwick was selected by the City Auditor to perform this audit. In addition to meeting the Commonwealth's statutory requirements, the audit was also designed to meet the requirements of the Federal government's Single Audit Act and the related Office of Management and Budget Circular A-128. Their opinion on our financial statements has been included in the Financial Section of this CAFR with the City's general purpose financial statements. The auditor's reports on the Single Audit were not available at the time this CAFR was prepared and will be issued separately.

Major Contributors To This Report

Accounting and Financial Reporting Unit

John Cashmon, Assistant City Auditor
Bhavdeep Trivedi, Principal Administrative Analyst
Daryl Byers, Senior Administrative Analyst
Carol Cronin-Pontremoli, Senior Administrative Analyst

Management Systems Support Unit

Charles Rigg, Senior Systems Analyst

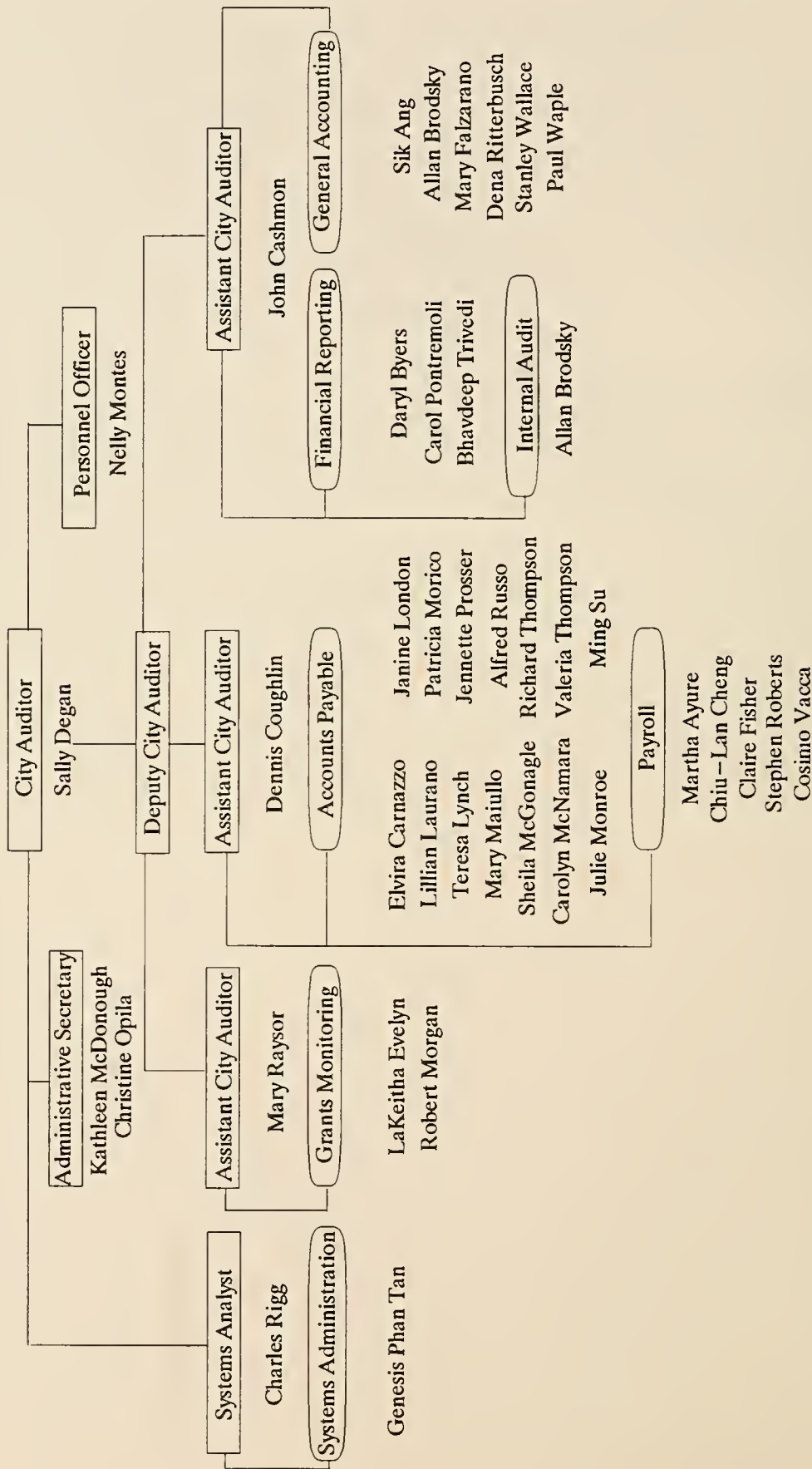
Desktop Publishing and Production

Bhavdeep Trivedi
Daryl Byers

Cover Design

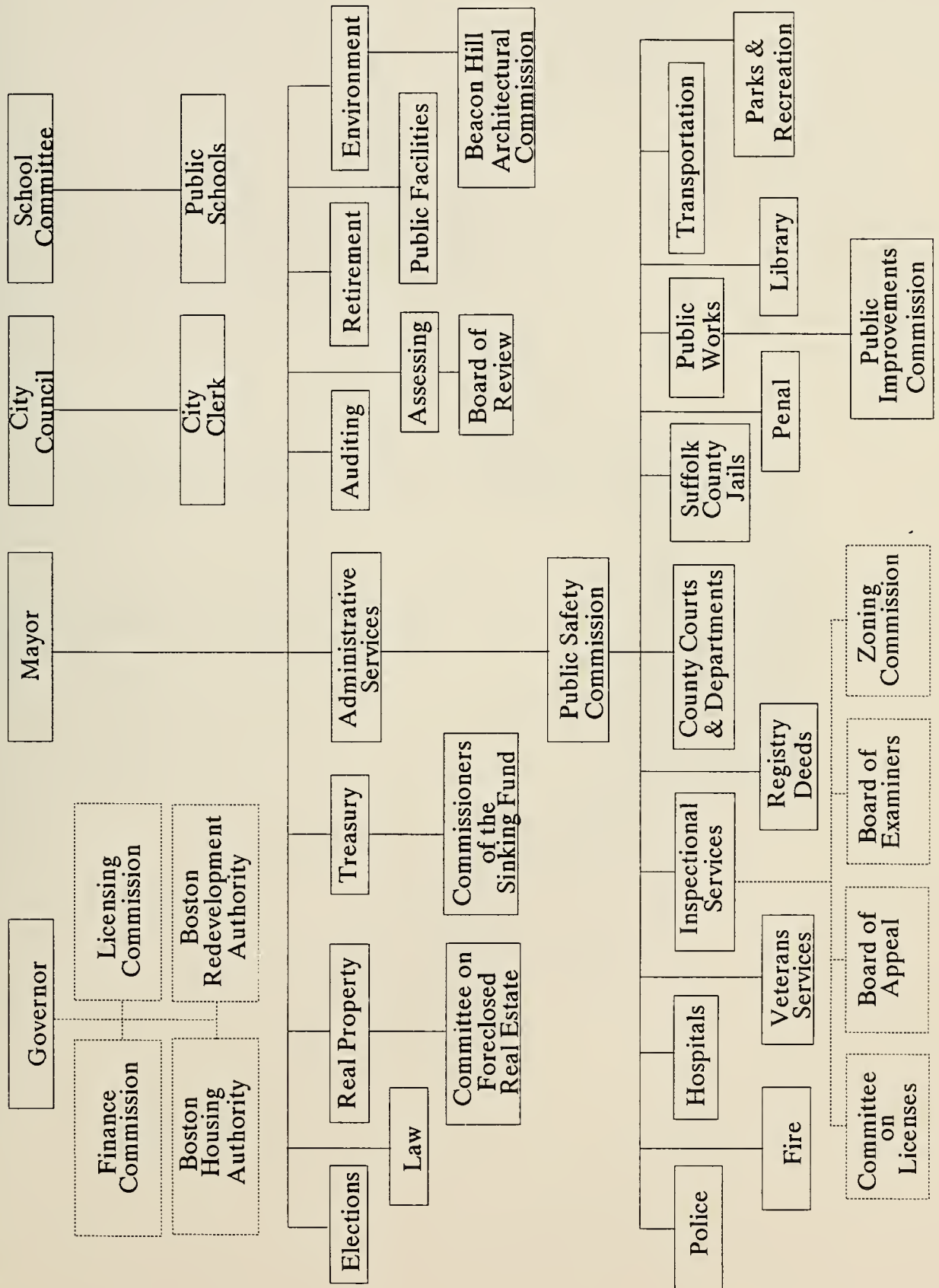
Sik Ang, Principal Accountant

AUDITING DEPARTMENT – ORGANIZATIONAL CHART



ORGANIZATION OF BOSTON'S CITY GOVERNMENT

Electorate



LIST OF ELECTED OFFICIALS

Mayor

Raymond L. Flynn

City Council Members

Christopher A. Iannella, President	At Large
John Nucci	At Large
Albert L. O'Neil	At Large
Rosaria Salerno	At Large
Robert E. Travaglini	District 1
James M. Kelly	District 2
James E. Byrne	District 3
Charles C. Yancey	District 4
Thomas M. Menino	District 5
Maura A. Hennigan—Casey	District 6
Anthony Crayton	District 7
David Scondras	District 8
Brian J. McLaughlin	District 9

Sheriff of Suffolk County

Robert Rufo

Registrar of Deeds Suffolk County

Paul Tierney

FINANCIAL SECTION

This section is comprised of the independent auditor's report, general purpose financial statements and the combining and comparative fund statements.

Certified Public Accountants

One Boston Place
Boston, MA 02108Telephone 617 723 7700
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Telecopier 617 723 6864

Independent Auditors' Report

To the Honorable Mayor and City Council of the
City of Boston, Massachusetts:

We have audited the general purpose financial statements of the City of Boston, Massachusetts, as of and for the year ended June 30, 1991, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of certain entities and accounts that aggregate the following percentages of total assets and revenues of the respective funds and account groups:

<u>Fund/Account Group</u>	<u>Percentage of</u>	
	<u>Total assets</u>	<u>Total revenues</u>
Special Revenue	9	1
Capital Projects	26	70
Enterprise	19	8
Trust and Agency	10	4
General Fixed Assets	100	-
General Long-Term Debt	1	-

Those statements were audited by other auditors whose reports have been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for those entities and accounts, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

The General Fixed Assets Account Group (GFAAG) only includes the cost of the general fixed assets of the Boston Redevelopment Authority, a component unit. The general fixed assets of the City have not been presented as required by generally accepted accounting principles.

In our opinion, based on our audit and the reports of the other auditors, and except that the omission of the City's general fixed assets from the GFAAG results in an incomplete presentation, as described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Boston, Massachusetts, as of June 30, 1991, and the results of its operations and the cash flows of its proprietary and nonexpendable trust fund types for the year then ended, in conformity with generally accepted accounting principles.

To the Honorable Mayor and City Council of the
City of Boston, Massachusetts

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in relation to the general purpose financial statements taken as a whole.

We did not audit the introductory and statistical information as listed in the table of contents and therefore express no opinion thereon.

KPMG Peat Marwick

December 19, 1991

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CITY OF BOSTON, MASSACHUSETTS
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1991
 (in thousands)

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPE		FIDUCIARY FUND TYPES			ACCOUNT GROUPS		
	General	Special Revenue	Debt Service	Capital Projects	Enterprise		Trust and Agency	General Fixed Assets	Long-Term Debt	Total (Memorandum only) 1991		
Assets												
Cash and investments (note 3)	\$ 164,932	67,338	7,790	101,436	7,099		1,024,992	-	-	1,373,587		
Restricted cash (notes 3 and 7)	-	-	-	2,118	151,824		1,164	-	-	155,106		
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):												
Property taxes	92,341	-	-	-	-		-	-	-	92,341		
Motor vehicle excise	14,335	-	-	-	-		-	-	-	14,335		
Intergovernmental	30,094	9,750	-	8,869	3,577		10,282	-	-	62,572		
Departmental and other	10,963	799	-	10,780	72,292		54,945	-	-	149,779		
Total receivables	147,733	10,549	-	19,649	75,869		65,227	-	-	319,027		
Inventories	-	-	-	-	1,517		-	-	-	1,517		
Due from other funds (note 6)	41,414	2,122	1,487	1,895	30,654		66,679	-	-	144,251		
Other assets	-	326	-	14,415	9,597		974	-	-	25,312		
Property, plant and equipment, net of accumulated depreciation (note 5)	-	-	-	-	134,888		191	705	-	135,784		
Amount available in debt service funds	-	-	-	-	-		-	-	7,790	7,790		
Amount to be provided for the retirement of general long-term obligations by (note 7):												
City of Boston	-	-	-	-	-		-	-	929,328	929,328		
Commonwealth of Massachusetts	-	-	-	-	-		-	-	132,340	132,340		
Boston Water and Sewer Commission	-	-	-	-	-		-	-	1,510	1,510		
Boston Redevelopment Authority	-	-	-	-	-		-	-	6,085	6,085		
Total assets	\$ 354,079	80,335	9,277	139,513	411,448		1,159,227	705	1,077,053	3,231,637		

CITY OF BOSTON, MASSACHUSETTS
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1991
 (in thousands)

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES		ACCOUNT GROUPS			
	FUND TYPE				FUND TYPE		FUND TYPE			
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Assets	General Long-Term Debt	Total (Memorandum only)	Total 1991
Liabilities										
Warrants and accounts payable	\$ 54,976	10,747	-	8,231	32,792	8,068	-	-	-	114,814
Accrued liabilities:										
Tax abatement refunds	63,600	-	-	-	-	-	-	-	-	63,600
Judgments and claims	-	-	-	527	2,581	-	-	8,750	-	11,858
Sick and vacation	-	-	-	-	6,285	-	-	72,523	-	78,808
Retirement costs (note 9)	-	-	-	-	32,821	-	-	386,551	-	419,372
Third party payors	-	-	-	-	5,585	-	-	-	-	5,585
Other	10,730	16,266	-	1,479	14,822	39,312	-	-	-	82,393
Intergovernmental	-	-	-	113	12,308	-	-	-	-	12,421
Due to other funds (note 6)	26,107	3,707	-	1,990	3,375	3,115	-	41,687	-	79,981
Deferred revenue	112,078	4,929	-	7,813	11,638	-	-	-	-	136,458
Matured interest and bonds payable	-	-	1,487	-	-	-	-	-	-	1,487
Obligations under capital leases (note 7)	-	-	-	-	3,148	-	-	18,902	-	22,050
Bonds, loans and notes payable (notes 5 and 7)	-	-	-	9,900	195,692	8,564	-	548,640	-	762,796
Total liabilities	267,491	35,649	1,487	30,053	321,047	59,059	-	1,077,053	-	1,791,839
Fund Equity										
Investments in general fixed assets	-	-	-	-	-	-	705	-	-	705
Proprietary fund equity	-	-	-	-	90,401	-	-	-	-	90,401
Fund balances:										
Reserved for:										
Encumbrances and continuing appropriations	24,066	16,566	-	39,954	-	-	-	-	-	80,586
Employee retirement systems	-	-	-	-	-	1,015,231	-	-	-	1,015,231
Debt service (note 8)	-	-	7,790	-	-	-	-	-	-	7,790
Unreserved:										
Designated	-	2,088	-	14,443	-	10,449	-	-	-	26,980
Undesignated	62,522	26,032	-	55,063	-	74,488	-	-	-	218,105
Total fund equity	86,588	44,686	7,790	109,460	90,401	1,109,168	705	-	-	1,439,728
Contingencies (note 12)										
Total liabilities and fund equity	\$ 354,079	80,335	9,277	139,513	411,448	1,159,227	705	1,077,053	-	3,231,637

CITY OF BOSTON, MASSACHUSETTS
Combined Statement of Revenues, Expenditures and Changes in Fund Equity - All Governmental Fund Types and Expendable Trust Funds
June 30, 1991
(in thousands)

	GOVERNMENTAL FUND TYPES				FIDUCIARY FUND TYPE	Total
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	(Memorandum only) 1991
Revenues:						
Local:						
Real and personal property taxes, net (note 4)	\$ 530,163	-	-	-	-	530,163
Excises	46,941	-	-	-	-	46,941
Payments in lieu of taxes	51,377	-	-	-	-	51,377
Fines	52,304	-	-	-	-	52,304
Investment income	15,902	56	-	1,336	3,314	20,608
Licenses and permits	13,492	-	-	-	-	13,492
Departmental and other revenue	36,406	28,879	-	16,324	79,253	160,862
Total local revenues	746,585	28,935	-	17,660	82,567	875,747
Intragovernmental:						
Federal	-	78,191	-	2,002	-	80,193
Commonwealth of Massachusetts	369,819	29,159	-	6,541	-	405,519
Other	-	-	934	-	-	934
Total intergovernmental revenues	369,819	107,350	934	8,543	-	486,646
Total revenues	<u>1,116,404</u>	<u>136,285</u>	<u>934</u>	<u>26,203</u>	<u>82,567</u>	<u>1,362,393</u>
Expenditures:						
Current:						
General government	44,140	442	-	-	7,586	52,168
Human services	6,212	4,220	-	-	3,747	14,179
Public safety	235,351	13,478	-	-	-	248,829
Public works	64,226	5,990	-	-	1,695	71,911
Property and development	25,700	-	-	-	-	25,700
Parks and recreation	13,288	1,926	-	-	2,106	17,320
Library	21,814	1,194	-	-	542	23,550
Schools	396,266	59,409	-	-	26	455,701
County	30,728	-	-	-	-	30,728
Judgments and claims	6,731	-	-	429	-	7,160
Other employee benefits	65,836	-	-	-	59,959	125,795
Retirement costs (note 9)	78,994	-	-	1,875	-	80,869
State and district assessments	51,343	-	-	-	-	51,343
Miscellaneous	773	-	-	-	-	773
Community development	-	30,171	-	-	-	30,171
Capital outlay	4,157	3,933	-	112,971	-	121,061
Debt service	-	-	82,896	2,791	-	85,687
Total expenditures	<u>1,045,559</u>	<u>120,763</u>	<u>82,896</u>	<u>118,066</u>	<u>75,661</u>	<u>1,442,945</u>
Excess (deficiency) of revenues over expenditures	<u>70,845</u>	<u>15,522</u>	<u>(81,962)</u>	<u>(91,863)</u>	<u>6,906</u>	<u>(80,552)</u>
Other financing sources (uses):						
Proceeds of debt and capital leases (note 7)	-	-	-	101,805	-	101,805
Operating transfers in (out), net (note 10)	(110,219)	-	82,422	8,765	952	(18,080)
In-substance defeasance of refunded debt (note 7)	-	-	(47,138)	(16,113)	-	(63,251)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(39,374)</u>	<u>15,522</u>	<u>(46,678)</u>	<u>2,594</u>	<u>7,858</u>	<u>(60,078)</u>
Fund balance, beginning of year	<u>125,962</u>	<u>29,164</u>	<u>54,468</u>	<u>106,866</u>	<u>26,111</u>	<u>342,571</u>
Fund balance, end of year	<u>\$ 86,588</u>	<u>44,686</u>	<u>7,790</u>	<u>109,460</u>	<u>33,969</u>	<u>282,493</u>

See accompanying notes to general purpose financial statements.

CITY OF BOSTON, MASSACHUSETTS

Statement of Revenues and Expenditures - Budgetary Basis

Year Ended June 30, 1991

(with comparative actual amounts for 1990)
(in thousands)

	1991				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1990 Actual
Revenues:					
Real and personal property taxes, net	\$ 528,637	528,637	529,148	511	494,920
Excises	48,315	48,315	46,941	(1,374)	48,134
Commonwealth of Massachusetts	423,367	423,367	423,661	294	461,715
Health and hospitals	172,000	172,000	179,927	7,927	158,014
Departmental and other revenue	34,873	37,104	38,016	912	55,933
Fines	64,813	60,469	52,634	(7,835)	44,146
Payments in lieu of taxes	21,034	21,034	21,274	240	20,582
Investment income	17,800	17,800	14,504	(3,296)	16,918
Licenses and permits	15,165	15,165	13,492	(1,673)	14,075
Sale of property	500	500	500	-	-
Operating transfers from other funds	8,310	8,213	9,383	1,170	10,170
Other available funds	<u>29,012</u>	<u>38,579</u>	<u>38,569</u>	<u>(10)</u>	<u>20,023</u>
Total revenues, transfers and other available funds	1,363,826	1,371,183	1,368,049	(3,134)	1,344,630
Less prior year deficits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
Net revenues available for appropriation	<u>1,363,826</u>	<u>1,371,183</u>	<u>1,368,049</u>	<u>(3,134)</u>	<u>1,343,630</u>
Expenditures:					
Current:					
General government	44,626	46,140	43,725	2,415	43,829
Human services	6,632	6,697	6,612	85	7,169
Public safety	250,611	250,866	245,023	5,843	244,018
Public works	66,438	66,438	65,079	1,359	65,724
Property and development	26,596	26,796	25,905	891	27,173
Parks and recreation	13,677	13,677	13,349	328	14,469
Library	19,589	21,819	21,819	-	21,853
Schools	385,000	389,000	388,973	27	374,417
Health and hospitals	193,578	193,578	194,358	(780)	186,812
County	31,518	32,741	30,950	1,791	26,530
Judgments and claims	4,750	4,932	6,731	(1,799)	7,124
Other employee benefits	57,285	58,069	64,231	(6,162)	57,506
Pension costs	122,876	122,876	121,721	1,155	124,079
State and district assessments	51,771	51,771	51,343	428	50,308
Debt requirements	<u>88,879</u>	<u>85,783</u>	<u>85,679</u>	<u>104</u>	<u>82,323</u>
Total expenditures	<u>1,363,826</u>	<u>1,371,183</u>	<u>1,365,498</u>	<u>5,685</u>	<u>1,333,334</u>
Excess of net revenues available for appropriation over expenditures	\$ <u>-</u>	<u>-</u>	<u>2,551</u>	<u>2,551</u>	<u>10,296</u>

See accompanying notes to general purpose financial statements.

CITY OF BOSTON, MASSACHUSETTS

Combined Statement of Revenues Expenses and Changes in Fund Equity - All Proprietary Fund Types and Similar Trust Funds
Year Ended June 30, 1991
(in thousands)

	<u>PROPRIETARY</u>	<u>FIDUCIARY</u>		Total
	Enterprise Funds	Pension Trusts	Nonexpendable Trusts	(Memorandum Only) 1991
Revenues:				
Net patient service revenue	\$ 181,637	-	-	181,637
Investment income	1,434	53,683	4,357	59,474
Net depreciation in fair value of investments	-	(70,590)	-	(70,590)
Contributions and donations	-	171,385	694	172,079
Programs	51,115	-	-	51,115
Rental income	5,265	-	-	5,265
Intergovernmental	10,818	21,416	-	32,234
Miscellaneous	<u>6,021</u>	<u>51</u>	<u>93</u>	<u>6,165</u>
Total operating revenues	<u>256,290</u>	<u>175,945</u>	<u>5,144</u>	<u>437,379</u>
Expenses:				
Salaries and wages	122,342	-	-	122,342
Professional fees	20,414	570	4	20,988
Administrative and general	24,735	1,462	1	26,198
Materials and supplies	15,886	-	-	15,886
Depreciation	8,885	-	-	8,885
Retirement costs	4,815	-	-	4,815
Interest	5,180	-	-	5,180
Scholarships and awards	-	-	15	15
Libraries	-	-	392	392
Benefits paid	-	155,586	-	155,586
Member refunds, and transfers and reimbursements to other systems, net	-	12,784	-	12,784
Subsidies for community services, special programs, and real estate operations	<u>81,979</u>	<u>-</u>	<u>-</u>	<u>81,979</u>
Total operating expenses	<u>284,236</u>	<u>170,402</u>	<u>412</u>	<u>455,050</u>
Operating income (loss) before operating transfers	(27,946)	5,543	4,732	(17,671)
Operating transfers in (out), net (note 10)	<u>14,515</u>	<u>-</u>	<u>(3,090)</u>	<u>11,425</u>
Net income (loss)	(13,431)	5,543	1,642	(6,246)
Fund equity, beginning of year	<u>103,832</u>	<u>1,009,688</u>	<u>49,326</u>	<u>1,162,846</u>
Fund equity, end of year	\$ <u>90,401</u>	<u>1,015,231</u>	<u>50,968</u>	<u>1,156,600</u>

CITY OF BOSTON, MASSACHUSETTS

Combined Statement of Cash Flows - All Proprietary Fund Types and Nonexpendable Trust Funds

Year Ended June 30, 1991

(in thousands)

	<u>PROPRIETARY</u>	<u>FIDUCIARY</u>	Total
	Enterprise Funds	Nonexpendable Trusts	(Memorandum Only) 1991
Cash flows from operating activities:			
Operating income (loss)	\$ (27,946)	4,732	(28,921)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Operating subsidy/transfers in (out)	14,515	(3,090)	11,425
Depreciation and amortization	9,598	-	9,598
Provision for bad debts	25,111	-	25,111
Changes in operating assets and liabilities:			
Investments	-	(2,698)	(2,698)
Accounts receivable	(27,299)	(11)	(27,310)
Intergovernmental receivables	(1,141)	-	(1,141)
Inventories	12	-	12
Other assets	(6,271)	-	(6,271)
Due to/from funds	9,221	-	9,221
Accounts payable	7,236	-	7,236
Accrued retirement and vacation	(6,721)	-	(6,721)
Intergovernment payable	5,508	-	5,508
Due to third party payors	(5,839)	-	(5,839)
Other accrued liabilities	5,461	2	5,463
Deferred revenue	<u>(2,997)</u>	<u>-</u>	<u>(2,997)</u>
Cash used by operating activities	<u>(1,552)</u>	<u>(1,065)</u>	<u>(2,617)</u>
Cash flows from noncapital financing activities:			
Advances from grantors	<u>(1,967)</u>	<u>-</u>	<u>(1,967)</u>
Cash provided by noncapital financing activities	<u>(1,967)</u>	<u>-</u>	<u>(1,967)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets (note 5)	(30,641)	-	(30,641)
Proceeds from debt	179,062	-	179,062
Payments received on loans receivable	4,131	-	4,131
Principal paid on debt maturities	(349)	-	(349)
Payments on lease obligations	(1,765)	-	(1,765)
Other transfers	(8)	-	(8)
Acquisition of capital leases	<u>1,608</u>	<u>-</u>	<u>1,608</u>
Cash provided by capital and related financing activities	<u>152,038</u>	<u>-</u>	<u>152,038</u>
Increase (decrease) in cash and cash equivalents	148,519	(1,065)	147,454
Cash and cash equivalents, beginning of year	<u>10,404</u>	<u>4,086</u>	<u>14,490</u>
Cash and cash equivalents, end of year	\$ <u>158,923</u>	<u>3,021</u>	<u>161,944</u>
Supplemental disclosure of cash flow information:			
Cash paid for interest	\$ <u>6,837</u>	<u>-</u>	<u>6,837</u>

See accompanying notes to general purpose financial statements.

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

June 30, 1991

(1) Summary of Significant Accounting Policies

The general purpose financial statements are prepared in accordance with generally accepted accounting principles (GAAP), except that the City does not maintain records of the costs of its general fixed assets. Accordingly, the General Fixed Assets Account Group is incomplete. The accounting policies followed in preparing the accompanying general purpose financial statements are as follows:

(a) Reporting Entity

The City's general purpose financial statements include the operations of all organizations for which the Mayor and City Council exercise oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. Financial statements for all entities included in the general purpose financial statements are for the year ended June 30, 1991, except for the Boston Redevelopment Authority, which is for the year ended September 30, 1990 and the State-Boston Retirement System which is for the year ended December 31, 1990. Accordingly, the beginning fund balance for State-Boston Retirement System has been restated.

Based on the aforementioned oversight criteria, the operations of the following entities have been included in or excluded from the accompanying general purpose financial statements:

Entities included in the general purpose financial statements:

- (1) Boston Redevelopment Authority (BRA). The Mayor appoints four of the five Authority Board members and the BRA functions as the planning agency of the City. The geographical limits are the same as those of the City and the City has a residual interest in the net assets.
- (2) Economic Development Industrial Corporation (EDIC). The Mayor appoints all seven of the Corporation's Board members and designates areas of the City as economic development areas.
- (3) State-Boston Retirement System (SBRS). The SBRS is a defined benefit contributory retirement plan covering employees of the City and certain other entities. The City Auditor is an ex-officio member of the SBRS Board and the City is the largest employer in the System.
- (4) Trustees of Health and Hospitals of the City of Boston, Inc. (THH). The THH provides grant and trust fund administration services to the Department of Health and Hospital's programs. The Mayor appoints all members of the Board as well as the Chairman and Vice-Chairman.
- (5) Suffolk County. The City operation includes the County of Suffolk. Funds for the county are appropriated by the City Council as a part of the annual general fund budget, and the City is ultimately responsible for any operating deficit. The County Sheriff and the Registrar of Deeds are elected officials.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

Entities excluded from the general purpose financial statements:

- (1) Boston Housing Authority. Although the Mayor appoints the nine members of the Authority's Monitoring Committee and the City Council has confirmation powers over four of these members, the City is not directly or contingently liable for the Authority's operating or debt service expenses.
- (2) Boston Water and Sewer Commission. The Mayor appoints the Commission's Board members, but the City is not responsible for the Commission's debt or operating deficits.

(b) Basis of Presentation - Fund Accounting

The operations of the City are recorded in the following fund types and account groups:

Governmental Funds

Governmental funds are used to account for the City's expendable financial resources and related liabilities (except those accounted for in proprietary and similar trust funds). The measurement focus is upon determination of changes in financial position and the flow of current financial resources. The following are the City's governmental fund types.

General Fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to specified purposes.

Debt Service Funds - Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Project Funds - Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Funds

Proprietary funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income and capital maintenance (i.e., flow of economic resources).

Enterprise Funds - Enterprise funds are used to account for operations (a) that are financed primarily through user charges, or (b) where the governing body has decided that determination of net income is appropriate.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

Fiduciary Funds

Trust and Agency Funds - Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent. Trust funds include expendable trust funds, nonexpendable trust funds, and pension trust funds. Nonexpendable trust funds and pension trust funds are reported in a manner similar to proprietary funds (i.e., flow of economic resources measurement focus and accrual basis of accounting). Expendable trust funds are reported in a manner similar to governmental funds (i.e., flow of financial resources) measurement focus and modified accrual basis of accounting. Agency funds are custodial in nature and follow the modified accrual basis of accounting but are not concerned with the measurement of results of operations.

Account Groups

Account groups are a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the governmental funds because they do not affect net expendable available financial resources. The following are the City's account groups.

General Fixed Assets Account Group - This account group is used to account for fixed assets, other than those accounted for in proprietary funds and similar trust funds.

General Long-Term Debt Account Group - This account group is used to account for all long-term obligations of the City except those accounted for in proprietary and similar trust funds.

(c) Basis of Accounting

The modified accrual basis of accounting is followed by governmental funds, expendable trust funds, and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., when they become both measurable and available to pay liabilities of the current period). Revenues not considered available are recorded as deferred revenues.

The City applies the susceptible to accrual criteria to property taxes and intergovernmental revenues. In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, resources must be expended on the specific purpose or project before any amounts will be reimbursed to the City; therefore, revenues are recognized based upon the amount of expenditures incurred. In the other, resources are virtually unrestricted and are usually revocable by the grantor only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Property taxes are recognized as revenue in the year for which taxes have been levied, provided they are collected within 60 days after year-end. Motor vehicle and other excise, licenses and permits, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash because amounts are generally not measurable until actually received. Investment earnings are recorded as earned.

Expenditures are recorded when the liability is incurred except for (1) interest on general long-term obligations, which is recorded when due, and (2) the noncurrent portion of accrued judgments and claims, pension costs and vacation and sick leave, which is recorded in the general long-term debt account group.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

The accrual basis of accounting is used by proprietary funds, nonexpendable trust funds, and pension trust funds. Revenues are recognized when earned and expenses are recognized when goods or services have been received or a liability has been incurred.

(d) Cash Equivalents

For purposes of the statement of cash flows, the proprietary funds and nonexpendable trust funds consider investments with original maturities of three months or less when purchased to be cash equivalents.

(e) Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds. Open encumbrances at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

Certain unexpended and unencumbered appropriations for incomplete projects are carried over to succeeding years. Such continuing appropriations are accounted for similar to encumbrances. Other unencumbered appropriations lapse at year end.

(f) Inventory

Inventory of the proprietary funds are valued at the lower of cost (first-in, first-out), or market. The cost of supplies and other inventoriable items in governmental funds are recorded as expenditures at the time they are purchased (purchase method). No significant amount of inventory was on hand at June 30, 1991.

(g) Property, Plant and Equipment

Property, plant and equipment are stated at cost or estimated historical cost. Donated fixed assets are recorded at estimated fair market value at the date donated. Net interest costs in the proprietary funds are capitalized on projects during the construction period. The amount of interest cost incurred during the year was \$7,589,000 of which \$1,428,000 was capitalized. Depreciation is provided using the straight-line method over estimated useful lives ranging from 15 to 40 years for buildings, 5 to 25 years for improvements other than buildings, and 4 to 25 years for equipment.

(h) Compensated Absences

Employees are granted vacation and sick leave in varying amounts. Upon retirement, termination or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their then current rates of pay. The cost of vacation and sick leave for employees of proprietary funds is recorded as expense. For other funds, the liability related to unused sick and vacation time is recorded in the general long-term debt account group. The amount recorded is the unused days earned at the current rate of pay.

(i) Arbitrage Rebate

Rebutable arbitrage earnings are calculated for the City by third parties and accounted for as a liability and a reduction of investment income in the general fund. At June 30, 1991, an accumulated arbitrage rebate of \$510,000 was recorded as a liability in the general fund.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

(j) Self Insurance

The City is self insured in most areas of risk. This self insurance includes general liability, its vehicle fleet except for school buses, workers compensation, unemployment compensation, and real property. In addition, the City self insures certain medical officers, employed by the Boston City Hospital and the Department of Health and Hospitals, for medical malpractice. The City's Corporation Counsel defends the City in any lawsuits that arise from the normal course of operations. Payments for the settlement of legal claims against the City are recorded in the judgments and claims account in the general fund. These claims are accounted for on a pay-as-you-go basis.

The City's health insurance program, administered by the Health Insurance and Benefits Division of the Administrative Services Department, provides coverage to the City's employees and retirees through a number of Health Maintenance Organizations (HMOs) and Blue Cross - Blue Shield of Massachusetts (BC/BS). BC/BS acts as a third party agent for the City in the payment of the various claim plans used by the City. The City, employee, and retiree costs incurred for the operation of the BC/BS plans are accounted for in a separate health claims trust fund. Costs to the City for the HMOs are accounted for in the general fund as part of other employee benefits. The cost of the post employment health benefits to the City during 1991 was approximately \$20 million.

(k) Subsidy to the Department of Health and Hospitals

Subsidies provided by the City's general fund to the Department of Health and Hospitals (DHH) are based upon the modified accrual basis of accounting. The subsidy recorded by DHH is based on the full accrual basis except for property, plant and equipment and capital leases, which are accounted for on the modified accrual basis. The difference in the amounts of the subsidies is recorded in the general long-term obligations account group.

The City does not allocate all internal administrative costs to the DHH. To a lesser extent, DHH provides certain administrative services to other City departments and hospital services to employees of the City without charge.

(l) Patient Service Revenues

Patient service revenues are recorded at DHH's established rates with contractual and free care allowances and the provision for uncollectible accounts deducted to arrive at net patient service revenue.

(m) Third-Party Reimbursement

Amounts receivable under cost reimbursement agreements of DHH are subject to examination and retroactive adjustments by third-party payors. Provisions for estimated retroactive adjustments under these agreements are provided in the period in which the related services are rendered.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

Effective October 1, 1982, Massachusetts charge control legislation Chapter 372 was enacted to govern the establishment of acute hospital charges and rates of payment. Chapter 372 established a prospective payment system for substantially all payors and adopted the Blue Cross basis of payment as the basis for determining the approved level of gross patient service revenue and Medicaid and Medicare rates of payment. Effective October 1, 1985, the payment system established pursuant to the Chapter 372 legislation was amended for a two-year period by Chapter 574 legislation. The two principal modifications were the exclusion of Medicare reimbursement from the Massachusetts system and the establishment of an uncompensated care pool to uniformly fund free care and bad debts incurred by hospitals. On April 21, 1989, retroactive to October 1, 1987, the Massachusetts legislature enacted Chapter 23 to govern acute hospital charges through September 30, 1991. The system established under Chapter 23 continues the methodology established under Chapters 372 and 574 with some modifications including a discontinuance of the productivity factors which reduced hospital payments under Chapters 372 and 574; greater incentives for changes in volume and case mix and a rebasing of the 1987 inpatient volume allowance; and the establishment of a statewide cap on the amount of uncompensated care costs that can be recovered through hospital charges.

Approved charges are based upon allowable patient care costs with certain adjustments for the recovery of uncompensated care, the uniform differential, and the mix of private and public sector payors. Allowable patient care costs include Maximum Allowable Costs (MAC) and certain items, principally depreciation, interest and malpractice insurance which are reimbursed on a cost basis outside the MAC. Any under or over generation of revenue in one year results in a reduction or increase in approved charges in the succeeding year. Any overgenerated revenue is deferred by BCH.

For fiscal 1991 and 1990, pursuant to Chapter 23 and the hospital agreement HA-31, Blue Cross reimbursement is based upon approved charge less the uniform differential. Under Chapter 23, Medicaid reimbursement in fiscal 1991 and 1990 is based upon approved charges less a discount which reflects the fiscal 1987 relationship of Medicaid reimbursement and approved charges.

Effective October 1, 1985, the Hospital is reimbursed for Medicare patients under the Prospective Payment System, the national Medicare system whereby hospitals are paid a standard amount based upon the patient's diagnosis.

DHH is reimbursed for services during the year at interim rates by Blue Cross, Medicaid and Medicare with differences between DHH charges and estimated final reimbursement recorded as contractual adjustments.

On May 31, 1991, the Hospital participated in a Medicaid Federal Financial Participation transaction to assist the Commonwealth in obtaining Federal reimbursement for Medicaid expenditures. The transaction involved a transfer of funds (\$124 million) to and from a specially designated bank account over which BCH had previously relinquished control.

BCH grants credit to patients, substantially all of whom are local residents. BCH generally does not require collateral or other security in extending credit to patients, however, it routinely obtains assignment of (or is otherwise entitled to receive) patients' benefits payable under their health insurance programs, plans or policies (e.g., Medicare, Medicaid, Blue Cross, health maintenance organizations and commercial insurance policies). At June 30, 1991 and 1990, BCH had receivables from the Commonwealth of Massachusetts (Medicaid) of \$47,189,000 and \$20,133,000, respectively, including all receivables and settlements.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

(n) Reclassifications

Certain 1990 amounts have been reclassified to conform with the 1991 presentation.

(o) Total Columns

Total columns on the accompanying general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such data are not comparable to a consolidation since interfund and other eliminations have not been made.

(2) Budgetary Data

The general fund is the only fund for which a budget is legally adopted. The budgets for all departments included in the general fund of the City, except the School Department, are prepared under the direction of the Mayor and City Council. The School Department budget is prepared under the direction of the School Committee. Original and supplemental appropriations are submitted by the Mayor and approved by the City Council. The legal level of control over the budget is at the department level. Supplemental appropriations for the year were approximately \$7.4 million.

The City must establish its property tax rate each year so that the resulting property tax levy will comply with the limits required by Proposition 2-1/2 (note 4). The tax levy must equal the sum of (a) the aggregate of all annual appropriations for expenditures; plus (b) the reserve accounts described in the following paragraph; plus (c) provision for the prior fiscal years' deficits, if any; less (d) the aggregate of all non-property tax revenues projected to be received by the City, including available funds, in amounts certified or approved by the Commonwealth of Massachusetts for tax rate purposes.

In accordance with the 1986 amendments to the Funding Loan Act of 1982, the City has established two reserve funds. The first is a budget reserve fund which is required to be funded in stages to a final level of 2-1/2% of the prior year's overall departmental appropriations, except the School Department, by the beginning of fiscal 1990. It is available to be applied to extraordinary and unforeseen expenditures. The second is a separate reserve fund of 1% to 2-1/2% of the current year appropriation of the School Department to be applied to over-expenditures in that department.

The City's general fund budget is prepared on a basis other than generally accepted accounting principles ("GAAP"). The "actual" results column in the Statement of Revenues and Expenditures - Budgetary Basis is presented on a "budget basis" to provide a meaningful comparison with the budget. The major differences between the budget and GAAP bases are that:

- (a) Real estate and personal property taxes are recorded as revenue when levied (budget), as opposed to when susceptible to accrual (GAAP);
- (b) Encumbrances and continuing appropriations are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP);
- (c) Certain activities and transactions are presented in separate funds (GAAP) rather than as components of the general fund (budget);

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

- (d) Amounts raised for the prior years' deficits and available funds from prior years' surpluses are recorded as revenue items (budget) but have no effect on GAAP revenues; and
- (e) The subsidy to the DHH from the general fund is derived on a budget basis (budget), as opposed to a modified accrual basis (GAAP).

In addition, there are certain differences in classifications between revenues, expenditures and transfers.

The following reconciliation summarizes the differences between budgetary and GAAP basis accounting principles for the year ended June 30, 1991 (in thousands):

	<u>Revenue</u>	<u>Expenditures</u>	<u>Other financing sources (uses), net</u>	<u>Excess revenue and sources (expenditures and uses)</u>
As reported on a budgetary basis	\$ 1,368,049	1,365,498	-	2,551
Adjustments:				
Revenues to modified accrual basis	620	-	-	620
Prior years' available funds	(38,569)	-	-	(38,569)
General fund DHH subsidy to a modified accrual basis	-	-	3,903	3,903
Expenditures, encumbrances and accruals, net	-	7,879	-	(7,879)
Reclassifications:				
Health and Hospitals revenues and expenditures to an enterprise fund	(179,927)	(194,358)	(14,431)	-
Pension and interest expenditures related to Health and Hospitals	-	(15,012)	(15,012)	-
Parking meter revenue and ex- penditures to a special revenue fund	(6,800)	(6,800)	-	-
Debt service expenditures to a debt service fund	-	(85,679)	(85,679)	-
State-funded teachers' retirement costs	(25,969)	(25,969)	-	-
Trust fund revenue to other financing sources	<u>(1,000)</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
As reported on a GAAP basis	\$ <u>1,116,404</u>	<u>1,045,559</u>	<u>(110,219)</u>	<u>(39,374)</u>

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

(3) Cash and Investments

State and local statutes place certain limitations on the nature of deposits and investments available to the City. Deposits including demand deposits, term deposits and certificates of deposit in any one financial institution may not exceed certain levels without collateralization by the financial institution involved. Investments can also be made in securities issued by or unconditionally guaranteed by the U.S. government or agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by the U.S. Government or its Agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase, authorized bonds of all states, bankers' acceptances, commercial paper rated within the three highest classifications established by rating agencies, and units in the Massachusetts Municipal Depository Trust ("MMDT").

In addition, the City's pension trust fund has additional investment powers, most notably the ability to invest in common stocks, corporate bonds and other specified investments.

Deposits

The following summary presents the amount of City deposits on June 30, 1991 (excluding the SBRS, which is presented as of December 31, 1990) which are fully insured or collateralized with securities held by the City or its agent in the City's name (Category 1), those deposits that are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name (Category 2), and those deposits that are not collateralized (Category 3) (in thousands).

	<u>Bank Balances</u>			<u>Total Bank Balance</u>	<u>Carrying Amount</u>
	<u>Category</u>				
	<u>1</u>	<u>2</u>	<u>3</u>		
Demand deposits	\$ 2,425	-	51,984	54,409	34,254
Money markets	5,853	-	133,986	139,839	137,015
Certificates of deposit	2,958	-	18,615	21,573	21,573
SBRS deposits, December 31, 1990	<u>300</u>	<u>-</u>	<u>79,180</u>	<u>79,480</u>	<u>76,366</u>
Total	\$ <u>11,536</u>	<u>-</u>	<u>283,765</u>	<u>295,301</u>	<u>269,208</u>

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

Investments

The City and SBRS categorize investments according to the level of risk assumed. Category 1 includes investments that are insured or registered or held by the entity or its agent in the entity's name. Category 2 includes uninsured and unregistered investments held by the counterparty's trust department or agent in the entity's name. Category 3 includes uninsured and unregistered investments held by the counterparty, or by its trust department or agent but not in the entity's name (in thousands).

	<u>Category</u>			<u>Carrying</u>	<u>Estimated</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>	<u>Market</u>
					<u>Value</u>
<u>City of Boston - June 30, 1991</u>					
Categorized:					
Equity securities	\$ -	-	29,263	29,263	35,504
U.S. Government obligations	18,797	-	146,893	165,690	166,505
Debt securities	516	-	16,353	16,869	16,824
U.S. Government agency obligation	4,044	-	3,889	7,933	8,115
Repurchase agreements	72,366	27,084	49,718	149,168	149,168
Other investments	-	-	7,783	7,783	7,783
Total	\$ <u>95,723</u>	<u>27,084</u>	<u>253,899</u>	376,706	383,899
Not categorized:					
MMDT				79,498	79,763
				\$ <u>456,204</u>	<u>463,662</u>

SBRS - December 31, 1990

Categorized:					
U.S. Government obligations	\$ -	124,969	-	124,969	121,037
U.S. Government agency obligations	-	35,559	-	35,559	35,590
Debt securities	-	126,169	-	126,169	128,531
Short-term investments	-	3,502	-	3,502	3,502
Equity securities	-	441,872	-	441,872	441,872
Real estate	-	48,041	-	48,041	46,721
Total	\$ <u>-</u>	<u>780,112</u>	<u>-</u>	780,112	777,253
Not categorized:					
MMDT				23,169	23,169
				\$ <u>803,281</u>	<u>800,422</u>

Investments of the City's pension trust funds are presented in the accompanying general purpose financial statements at their fair market value. All other investments are stated at cost or amortized cost, which approximates market.

The composition of the City's bank deposits and investments fluctuates depending primarily on the timing of real estate tax receipts, proceeds from borrowings, collection of state and federal aid, and capital outlays throughout the year.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

The following table summarizes SBRs's unaudited carrying values as of June 30, 1991 (in thousands):

<u>Type of Investment</u>	<u>Unaudited Carrying Amount</u>
Bank deposits	\$ 32,535
U.S. Government obligations	121,780
U.S. Government agency obligations	27,517
Debt securities	114,722
Equity securities	567,920
MMDT	111,508
Real estate	<u>47,771</u>
Total	\$ <u>1,023,753</u>

(4) Property Taxes

Real and personal property taxes are based on values assessed as of each January 1. By law, all taxable property must be assessed at 100% of fair cash value. These taxes once levied are recorded as receivables, net of estimated uncollectibles, in the fiscal year of the levy. Property tax revenues have been recorded using the modified accrual basis of accounting, described in note 1(c).

Prior to June 30, 1991, the City's property taxes were due November 1 and May 1 following their January 1 assessment. Beginning July 1, 1991, the city elected to bill and collect its property taxes on a quarterly basis. The due dates for those quarterly tax billings are August 1, November 1, February 1, and May 1. Property taxes that remain unpaid after the respective due dates are subject to penalties and interest charges. The City ultimately has the right to foreclose on all properties where the taxes remain unpaid.

A state-wide property tax limitation known as "Proposition 2-1/2" limits the amount of increase in the property tax levy in any fiscal year. Generally, Proposition 2-1/2 limits the total levy to an amount not greater than 2-1/2% of the total assessed value of all taxable property within the City. Secondly, the tax levy cannot increase by more than 2-1/2% of the prior year's levy plus the taxes on the property newly added to the tax roles. Certain provisions of Proposition 2-1/2 can be overridden by a City-wide referendum.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

(5) Property, Plant and Equipment

Property, plant and equipment of the enterprise funds by major category, at June 30, 1991 is as follows (in thousands):

	<u>DHH</u>				
	<u>Hospital Facilities</u>	<u>South Block Complex</u>	<u>THH</u>	<u>EDIC</u>	<u>Total</u>
Land	\$ 4,307	132	-	8,582	13,021
Buildings and leasehold improvements	134,952	18,470	-	18,515	171,937
Furniture and equipment	38,450	926	687	1,618	41,681
Construction in progress	<u>28,221</u>	<u>-</u>	<u>-</u>	<u>7,288</u>	<u>35,509</u>
	205,930	19,528	687	36,003	262,148
Less accumulated depreciation	<u>99,158</u>	<u>11,195</u>	<u>522</u>	<u>16,385</u>	<u>127,260</u>
	\$ <u>106,772</u>	<u>8,333</u>	<u>165</u>	<u>19,618</u>	<u>134,888</u>

The South Block Complex consists of residential apartments and parking for resident and hospital use.

The following is a summary of changes in the general fixed assets account group (in thousands):

	Balance, October 1, <u>1989</u>	<u>Additions</u>	Balance, September 30, <u>1990</u>
Furniture and fixtures	\$ 1,458	2	1,460
Vehicles and maintenance equipment	62	-	62
Data processing equipment	<u>581</u>	<u>4</u>	<u>585</u>
	2,101	6	2,107
Less accumulated depreciation and amortization	<u>(1,027)</u>	<u>(375)</u>	<u>(1,402)</u>
Fixed assets, net	\$ <u>1,074</u>	<u>(369)</u>	<u>705</u>

The fixed assets of the trust funds consist principally of land. No changes in the balance has occurred during 1991.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

(6) Interfund Balances

Individual fund interfund receivable and payable balances at June 30, 1991, are as follows (in thousands):

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 41,414	26,107
Special revenue:		
Revolving loan	-	3,032
Jobs and Community Service	30	3
CDBG	84	-
Other	-	672
BRA	2,008	-
Debt service	1,487	-
Capital projects:		
BRA	1,895	1,448
Other	-	542
Enterprise:		
DHH	30,654	-
THH	-	3,375
Trust and agency:		
BRS	284	-
White Fund	-	312
Jobs Fund	8	-
Blue Cross	1,777	-
Housing Fund	-	8
BRA Agency Fund	340	2,795
General long-term debt account group	-	41,687
	<u>79,981</u>	<u>79,981</u>
SBRS at December 31, 1990	<u>64,270</u>	<u>-</u>
Balances in accompanying financial statements	\$ <u>144,251</u>	<u>79,981</u>

Because the SBRS is reported as of December 31, 1990, the interfund receivables and payables do not balance.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

(7) General Long-Term Obligations

The following is a summary of bond and other long-term obligation transactions of the City for the year ended June 30, 1991 (in thousands):

<u>City</u>	<u>Interest Rates</u>	<u>Outstanding, Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding, End of Year</u>
Bonds and notes payable:					
General purpose, serial maturities through 2011	1/4% to 10-3/4%	\$ 163,259	60,837	12,693	211,403
Urban redevelopment, serial maturities through 2011	4-1/2% to 10-3/4%	64,290	5,524	10,711	59,103
Schools, serial maturities through 2011	4-1/4% to 10-3/4%	118,464	703	17,050	102,117
Parking facilities, serial maturities through 2011	4-1/4% to 10-3/4%	9,603	4,304	5,162	8,745
Public buildings, serial maturities through 2011	4-1/4% to 10-3/4%	86,909	13,553	12,538	87,924
Public works, serial maturities through 2011	4-1/4% to 10-3/4%	64,280	11,234	5,036	70,478
Water, serial maturities through 1996	5-1/10% to 10%	845	-	260	585
Sewer, serial maturities through 1999	4-1/4% to 7-3/10%	1,180	-	255	925
Rapid transit, term maturities through 1995	2-1/4% to 3%	<u>7,444</u>	<u>-</u>	<u>84</u>	<u>7,360</u>
		516,274	96,155	63,789	548,640
Refunded debt		<u>41,880</u>	<u>-</u>	<u>41,880</u>	<u>-</u>
		<u>558,154</u>	<u>96,155</u>	<u>105,669</u>	<u>548,640</u>
Short term debt refunded on a long-term basis subsequent to year-end					
	7-2/10%	<u>15,730</u>	<u>-</u>	<u>15,730</u>	<u>-</u>
		<u>573,884</u>	<u>96,155</u>	<u>121,399</u>	<u>548,640</u>
Lease acquisition and refinancing, serial maturities through 1996 (note 8)	5% to 6-9/10%	23,227	5,650	10,369	18,508
Other long-term obligations, net:					
Judgments and claims		2,165	6,585	-	8,750
Sick and vacation		74,100	-	3,270	70,830
Retirement costs		449,526	-	66,973	382,553
Due to other funds		<u>48,342</u>	<u>-</u>	<u>6,655</u>	<u>41,687</u>
		<u>1,171,244</u>	<u>108,390</u>	<u>208,666</u>	<u>1,070,968</u>
BRA					
Leases		-	394	-	394
Sick and vacation, net		1,669	24	-	1,693
Retirement costs, net		<u>4,207</u>	<u>-</u>	<u>209</u>	<u>3,998</u>
		<u>5,876</u>	<u>418</u>	<u>209</u>	<u>6,085</u>
Totals		\$ <u>1,177,120</u>	<u>108,808</u>	<u>208,875</u>	<u>1,077,053</u>

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

On December 20, 1990 the City issued \$169.3 million of bonds (Revenue Bonds Boston City Hospital - FHA Insured Mortgage - Series A) to provide permanent financing for the construction and equipping of a new hospital inpatient facility and the renovation and consolidation of existing hospital facilities previously financed with bond anticipation notes (BANs). The principal and interest on these bonds is payable principally from payments to be made by the City on a mortgage note insured by the United States Secretary of Housing and Urban Development and, in the event of a default by the City, from Mortgage Insurance Benefits. The mortgage note will be payable from all sources of revenue of the City, including revenues of BCH, subject to annual appropriation but do not constitute general obligations of the City. Additionally, neither the revenues of BCH nor any other revenues of the City are pledged for the repayment. At June 30, 1991, approximately \$32.0 million had been expended in connection with the project. The main construction phase of the project commenced late in 1990 and is expected to continue until late 1993. A lump sum contract for this phase has been awarded to the general contractor in the amount of \$61.5 million. The remaining unspent proceeds are held with an outside trustee and are designated as Restricted Cash in the Enterprise Fund on the financial statements.

On June 25, 1991, the City issued \$16.2 million in General Obligation Bonds with an average interest rate of 6.0% to advance refund \$14.3 million of various other bonds with an average interest rate of 9.0%. The transaction met the requirements of an "in-substance defeasance" as defined by generally accepted accounting principles and as a result, the liability for the refunded bonds has been removed from the general long-term debt account group. The transaction resulted in a reduction of \$1.2 million in debt service payments over the remaining life of the bond and an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$593,000. On August 28, 1986, the City issued \$58.5 million in general obligation bonds to advance refund \$47.8 million of 1980, 1983, 1984 and 1985 Series bonds and to provide for all future debt service payments on the refunded bonds. When the refunding occurred, the transaction was not considered an "in-substance defeasance" because proceeds of the refunding debt were not invested in essentially risk-free monetary assets as defined by generally accepted accounting principles. However, in 1991, the criteria for an in-substance defeasance were met and the transaction was recorded in the financial statements.

The principal amount of debt refunded through these in-substance defeasance transactions and still outstanding at June 30, 1991 was \$56.2 million.

The annual debt service requirements of general obligation bonds outstanding as of June 30, 1991 are as follows (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30,			
1992	\$ 53,160	35,808	88,968
1993	53,555	34,479	88,034
1994	54,640	30,684	85,324
1995	48,135	26,954	75,089
1996	44,055	23,390	67,445
1997-2001	158,010	77,828	235,838
2002-2006	99,590	30,758	130,348
2007-2011	33,950	6,756	40,706
2012-2016	<u>3,545</u>	<u>120</u>	<u>3,665</u>
	\$ <u>548,640</u>	<u>266,777</u>	<u>815,417</u>

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

General obligation bonds are backed by the full faith and credit of the City. The Commonwealth of Massachusetts has approved school construction assistance, subject to annual appropriation by the State Legislature and reports filed with the Commonwealth by the City, to partially provide resources for future principal and interest requirements on general obligation school bonds of the City. In addition, the Boston Water and Sewer Commission ("BWSC") is required by its enabling legislation to reimburse the City for future principal and interest requirements on the general obligation water and sewer bonds. As of June 30, 1991, such resources, excluding interest, expected to be provided to the City total \$132.3 million from the Commonwealth and \$1.5 million from the BWSC.

As of June 30, 1991, the City has \$7.8 million on deposit with the Board of Sinking Funds Commissioners for retirement of rapid transit term general obligation bonds. The deposit is accounted for in the debt service fund. If payments by the Board from the sinking fund are not sufficient to fully provide for principal and interest on such debt as it becomes due, the City is entitled to receive direct payments from the Massachusetts Bay Transportation Authority ("MBTA") to the extent of any such deficiency.

The City is subject to a dual general debt limit; the normal debt limit and the double debt limit. Such limits are equal to 2-1/2% and 5%, respectively, of the valuation of taxable property in the City as last equalized by the State Department of Revenue. Debt may be authorized up to the normal debt limit without state approval. Authorizations under the double debt limit, however, require the approval of the Commonwealth's Emergency Finance Board. Additionally, there are many categories of general obligation debt which are exempt from the debt limit but are subject to other limitations.

As of June 30, 1991, the City may issue \$1.44 billion additional general obligation debt under the dual level general debt limit. General obligation debt of \$178.2 million, subject to the double debt limit, and \$29.4 million, exempt from the debt limit, is authorized but unissued as of June 30, 1991.

The City pays assessments to the MBTA under formulas that include debt service payments (commonly referred to as overlapping debt). At June 30, 1991, the MBTA had \$190.9 million in long-term obligations outstanding of which the City's estimated share was approximately 42.30%, or \$80.8 million.

(8) Leases

The City has entered into two master installment sale agreements authorizing the financing of up to \$56.5 million of equipment for various purposes. As of June 30, 1991, the amount financed under this arrangement totaled \$47.5 million, with \$18.5 million currently outstanding. The City's commitment under noncapitalized leases is insignificant.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

Future minimum payments under capital leases and installment sales as of June 30, 1991, are as follows (in thousands):

	<u>GLTDAG</u>		<u>Enterprise</u>		
	<u>City</u>	<u>BRA</u>	<u>DHH</u>	<u>EDIC</u>	<u>Total</u>
1992	\$ 9,469	173	1,417	100	11,159
1993	6,027	159	1,056	89	7,331
1994	3,303	80	549	83	4,015
1995	1,153	39	238	75	1,505
1996 and thereafter	<u>345</u>	<u>-</u>	<u>91</u>	<u>-</u>	<u>436</u>
Total minimum lease payments	20,297	451	3,351	347	24,446
Less amount representing interest	<u>1,789</u>	<u>57</u>	<u>468</u>	<u>82</u>	<u>2,396</u>
	\$ <u>18,508</u>	<u>394</u>	<u>2,883</u>	<u>265</u>	<u>22,050</u>

(9) Pension Plan

(a) Plan Description

The City provides retirement benefits to employees through a contributory retirement system administered by the State-Boston Retirement System (SBRS or System), a cost-sharing, multiple-employer public employee retirement system. Each participating employer's share of the total annual contribution is determined on the basis of active payroll. The City's payroll for employees covered in the System for the year ended June 30, 1991, was approximately \$646 million; the City's total payroll was approximately \$798 million. Because the City's participation in the System is so significant certain disclosures required for single employer plans have been made.

The City also participates in two other small plans (Boston Retirement System and Health & Hospital Pension Trust) for which disclosures are not material.

The System is a contributory defined benefit plan covering all permanent full-time employees immediately upon the commencement of employment. Public school teachers are also members of the System. However, the cost of teachers' pension benefits is reimbursed by the Commonwealth of Massachusetts ("Commonwealth") directly to the City. The System is a member of the Massachusetts Contributory System and is governed by Chapter 32 of the Massachusetts General Laws. Membership in the System is mandatory immediately upon the commencement of employment for all permanent, full-time employees. The following is a breakdown of the membership of the SBRS at January 1, 1991:

Active employees	22,038
Pensioners and beneficiaries	13,421
Inactive employees with vested rights	<u>5,577</u>
	<u>41,036</u>

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

Members of the System become vested after 10 years of creditable service. A retirement allowance may be received upon reaching age 65 or upon attaining 20 years of service. The System also provides for early retirement at age 55 if the participant (1) has a record of 10 years of creditable service, (2) was on the City's payroll on January 1, 1978, (3) voluntarily left City employment on or after that date, and (4) left accumulated annuity deductions in the Fund. Active members contribute either 5, 7, or 8% of their gross regular compensation depending on the date upon which their membership began. In addition members who joined the System after January 1, 1979, are required to contribute an additional 2% of regular compensation over \$30,000. The City is required to contribute the remaining amounts necessary to pay benefits when due.

(b) Funding Status and Progress

The amount shown below as the "Pension Benefit Obligation" for the System is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the System on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the System.

The pension benefit obligation was computed as part of an actuarial valuation performed as of January 1, 1991 (which was updated as of June 30, 1991). Significant actuarial assumptions used in the valuation include (1) a rate of return on the investment of present and future assets of 10% a year compounded annually, (2) projected salary increases of 6% a year compounded annually, attributed to inflation and seniority, (3) no post-retirement benefit increases, and (4) removal of the \$30,000 compensation cap and other changes resulting from the adoption of Chapter 32, Section 22D.

The unfunded pension benefit obligation and the accumulated unfunded benefit obligation at June 30, 1991 are as follows (in thousands):

	<u>City</u>	<u>BRA</u>	<u>Other Entities*</u>	<u>Total</u>
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 879,544	5,378	30,528	915,450
Current employees:				
Accumulated employee contributions including investment earnings	471,172	5,869	22,760	499,801
Employer financed vested	265,089	2,666	10,834	278,589
Employer financed nonvested	165,831	1,487	6,224	173,542
Cost-of-living adjustments reimbursable by the Commonwealth	<u>236,397</u>	<u>1,821</u>	<u>8,899</u>	<u>247,117</u>
Total pension benefit obligation	2,018,033	17,221	79,245	2,114,499
Net assets available for benefits, at market	<u>1,008,666</u>	<u>9,882</u>	<u>41,753</u>	<u>1,060,301</u>
Unfunded pension benefit obligation	1,009,367	7,339	37,492	1,054,198

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

	City	BRA	Other Entities*	Total
Less:				
Adjustment to reduce the unfunded pension benefit obligation for projected salary increases	171,950	1,520	6,232	179,702
Cost-of-living adjustments reimbursable by the Commonwealth	236,397	1,821	8,899	247,117
Estimated amounts to be reimbursed by the Commonwealth of Massachusetts for teachers, net of related assets	<u>185,646</u>	<u>-</u>	<u>-</u>	<u>185,646</u>
Unfunded accumulated benefit obligation	\$ <u>415,374</u>	<u>3,998</u>	<u>22,361</u>	<u>441,733</u>

* Not included in the general purpose financial statements.

The City has recorded \$386.6 million of the unfunded accumulated benefit obligation as a liability in the general long-term obligations account group. The remaining \$32.8 million is recorded as a liability in the enterprise fund.

(c) Contribution Requirements and Contributions Made

The System's funding policy is governed by Section 22D of Chapter 32. Accordingly, the minimum contribution through June 30, 1994, is an amount approximating the pension benefits expected to be paid during the year ("pay-as-you-go" method), as determined by the Public Employee Retirement Administration (PERA). Subsequent to June 30, 1994, the members of the System are required to fund each year the actuarially determined normal cost plus an amount to amortize the unfunded liability by June 30, 2028. Normal cost is based upon the entry age normal cost method and would increase each year but should remain relatively level as a percentage of payroll. The method used to amortize the unfunded liability results in an 4-1/2% increase in pension cost each year. The Commonwealth currently reimburses the System for the portion of benefit payments owing to cost-of-living increases granted after the implementation of Proposition 2-1/2. Also the Commonwealth reimburses the City for benefits paid to school teachers.

The City's actuarially determined contribution to the System and the amount contributed for 1991 of \$121.7 million (18.8% of covered payroll), including \$26 million for teachers and \$11.8 million for DHH, was made in accordance with the funding policy described above and represented approximately 95% of all employer contributions to the System.

(d) Trend Information

Trend information for the three years ended December 31, 1990, 1989 and 1988, respectively, is as follows: available assets were sufficient to fund 46%, 44% and 40% of the pension benefit obligation, respectively. Unfunded pension benefit obligation represented 184%, 177% and 215% of the annual payroll for employees covered by the System for 1990, 1989 and 1988, respectively.

Ten year historical trend information presenting the System's progress in accumulating sufficient assets to pay benefits when due and revenues by source and expenses by type is presented in the SBRS December 31, 1990 separately issued financial statements.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

(10) Operating Transfers

Operating transfers constitute the transfer of resources from the fund that receives the resources to the fund that utilizes them. Operating transfers during the year were as follows (in thousands):

	Transfers in (out)						
	General		Debt Service	Capital Projects	Enterprise	Trust Funds	
	1991	1990				Expendable	Nonexp.
Purpose of transfer:							
DHH subsidy	\$ (18,885)	(14,998)	(3,257)	(3,237)	25,379	-	-
Amount transferred							
from the long-term							
debt account group	<u>(6,655)</u>	<u>(5,695)</u>					
	(25,540)	(20,693)					
Refunded Bond							
proceeds	-	-	-	12,002	(12,002)	-	-
Debt service	(85,679)	(82,323)	85,679	-	-	-	-
Trust funds	<u>1,000</u>	<u>1,470</u>			<u>1,138</u>	<u>952</u>	<u>(3,090)</u>
	\$ <u>(110,219)</u>	<u>(101,546)</u>	<u>82,422</u>	<u>8,765</u>	<u>14,515</u>	<u>.952</u>	<u>(3,090)</u>

(11) Fund Deficits and Excess of Expenditures

The following funds had deficit equity balances at June 30, 1991 (in thousands):

Special Revenue:

Housing Development Actions Grants \$ 86

Enterprise:

Trustees of Health and Hospitals 340

Trust and agency:

Blue Cross/Blue Shield fund 638

Neighborhood housing trust 1,515

2,153

\$ 2,579

The above deficits will be eliminated by future bond issuances, employee payroll withholdings, linkage payments or City appropriations.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

The City had expenditures in excess of their budgeted amounts for the year ended June 30, 1991 in the following categories (in thousands):

Human services:	
Veterans service division	\$ 129
Jobs and community services	23
Public works:	
Snow removal	247
Property and development:	
Real property - building division	5
Health and hospitals	780
Judgments and claims	1,799
Employee benefits:	
Health benefits and insurance	4,623
Workmen's compensation fund	1,608
Retirement costs:	
Unemployment compensation	<u>149</u>
	\$ <u>9,363</u>

Excess expenditures in public works, health and hospitals, and judgments and claims are allowed under the budgetary laws governing the City.

(12) Contingencies

There are numerous pending lawsuits in which the City is involved. The City attorneys estimate that the potential claims against the City not recorded in the accompanying general purpose financial statements resulting from such litigation would not materially affect the financial statements.

(13) Subsequent Events

On August 19, 1991, the City entered into a ten-year \$100 million interest rate swap agreement. Under this agreement, quarterly settlements between the City and Merrill Lynch will occur whereby the City will pay to or receive from Merrill a certain sum of money. This sum will depend on movements in the J.J. Kenny short-term tax-exempt interest rate index. The settlement process is not scheduled to begin until 1993. The City, as a result of this transaction, is exposed to credit risk of nonperformance by Merrill Lynch. However, the maximum exposure to risk of nonperformance by Merrill Lynch is limited to an amount equal to a quarterly interest payment due the City from Merrill Lynch, computed as an adjustment to the J.J. Kenny index or its successor for the interest rate swap transaction.

(Continued)

CITY OF BOSTON, MASSACHUSETTS

Notes to General Purpose Financial Statements

(14) Segment Information

The City maintains three enterprise funds for which segment information is presented below (amounts in thousands).

	<u>DHH</u>	<u>THH</u>	<u>EDIC</u>
Operating revenues	\$ 187,214	51,115	17,961
Depreciation expense	7,326	63	1,496
Operating income (loss)	(25,012)	(2,963)	29
Net income (loss)	(11,635)	(1,825)	29
Property, plant and equipment additions	23,841	17	6,783
Total assets	348,407	11,300	51,741
Bonds payable	168,354	-	27,338
Total equity	84,605	(340)	6,136

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GENERAL FUND

The general fund is the operating fund of the city. It is used to account for all revenues, expenditures and other financial resources except those required to be accounted for in other funds.

Exhibit A-1

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)
Year Ended June 30, 1991

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1990 Actual</u>
PROPERTY TAXES					
Real and Personal Property Taxes	\$ 528,637,346	\$ 528,637,346	\$ 529,148,315	\$ 510,969	\$ 494,919,902
Revenue class total	528,637,346	528,637,346	529,148,315	510,969	494,919,902
MOTOR VEHICLE EXCISE					
Motor Vehicle Excise - Current	20,300,000	20,300,000	16,288,741	(4,011,259)	18,449,693
Motor Vehicle Excise - Prior Years	-	-	2,555,828	2,555,828	1,511,668
Motor Vehicle - Lessor Surcharge	-	-	978	978	-
Boat Excise - Current	15,000	15,000	20,156	5,156	15,568
Boat Excise - Prior Years	-	-	(502)	(502)	281
Revenue class total	20,315,000	20,315,000	18,865,202	(1,449,798)	19,977,210
LOCAL EXCISE					
Hotel / Motel Room Excise	14,000,000	14,000,000	14,655,940	655,940	13,906,576
Aircraft Fuel Excise	13,400,000	13,400,000	13,263,795	(136,205)	13,177,147
Condominium Con. Excise	600,000	600,000	156,000	(444,000)	593,500
County Deeds Excise Fund	-	-	-	-	479,329
Revenue class total	28,000,000	28,000,000	28,075,735	75,735	28,156,552

Exhibit A-1 (continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)

Year Ended June 30, 1991

Classification	Original Budget	Final Budget	Actual	Variance	1990 Actual
				Favorable (Unfavorable)	
COMMONWEALTH OF MASSACHUSETTS					
Urban Redevelopment Ch.121A	30,252,445	30,252,445	30,102,870	(149,575)	32,974,783
R.E. Abatements – Veterans	–	–	–	–	61,444
R.E. Abatements – Elderly	–	–	50,063	50,063	–
R.E. Abatements – Other	–	–	264,150	264,150	264,150
R.E. Abatements – Blind	355,379	355,379	28,875	(326,504)	29,838
Elderly Exemptions 1977 Chapter 967	1,345,611	1,345,611	1,237,088	(108,523)	1,345,611
State Lottery Local Aid	25,328,750	25,328,750	25,328,750	–	25,324,887
Highways – Local Aid	–	–	–	–	459,168
Veterans Services – Local Aid	1,048,184	1,048,184	563,323	(484,861)	1,310,582
Pensions – Retired Teachers	23,700,000	23,700,000	25,968,898	2,268,898	22,955,125
Local Aid – Add'l Assistance Chapter 36	251,738,148	251,738,148	251,738,148	–	284,320,105
County Jail Grant	21,586,962	21,586,962	21,586,962	–	–
Public Library – Local Aid	–	–	–	–	522,501
Racing Taxes	–	–	–	–	429,192
School Construction – State	11,634,662	11,634,662	11,634,662	–	13,372,228
School Aid Chapter 70	44,963,846	44,963,846	44,963,846	–	67,677,955
Recreational Programs	31,104	31,104	30,332	(772)	43,355
Transportation of Pupils	10,815,303	10,815,303	9,654,040	(1,161,263)	9,860,806
Tuition for State Wards	566,753	566,753	508,744	(58,009)	763,629
Revenue class total	423,367,147	423,367,147	423,660,751	293,604	461,715,360

Exhibit A-1 (continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)
Year Ended June 30, 1991

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1990 Actual</u>
HEALTH AND HOSPITALS					
Boston City Hospital	144,000,000	144,000,000	145,142,348	1,142,348	140,516,196
Long Island Hospital	16,000,000	16,000,000	16,505,629	505,629	8,430,181
Mattapan Hospital	12,000,000	12,000,000	18,279,273	6,279,273	9,067,839
Revenue class total	172,000,000	172,000,000	179,927,250	7,927,250	158,014,217
DEPARTMENTAL & OTHER REVENUE					
Penalties & Interest - Property Taxes	1,600,000	1,600,000	1,231,718	(368,282)	1,544,374
Penalties & Interest - Motor Vehicle	750,000	750,000	571,501	(178,499)	715,614
Penalties & Interest - Sidewalk	-	-	-	-	6
Penalties & Interest - Tax Title	3,550,000	3,550,000	3,018,066	(531,934)	3,524,012
Penalties & Interest - Boat Excise	-	-	21	21	16
Purchasing Services	25,000	25,000	25,751	751	24,716
Recording of Legal Instruments	250	250	200	(50)	228
Registry Division Fees	900,000	900,000	828,624	(71,376)	745,199
City Record Sale of Publications	80,000	80,000	59,762	(20,238)	31,081
Assessing Fees	3,000	3,000	1,887	(1,113)	10,241
Liens	570,000	570,000	458,350	(111,650)	324,115
City Clerk Fees	280,000	280,000	264,368	(15,632)	222,865
Election Fees	18,000	18,000	133,763	115,763	14,080
City Council Sale of Publications	200	200	1,090	890	880
Other General Services	30,000	30,000	32,127	2,127	28,681

Exhibit A-1 (continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)

Year Ended June 30, 1991

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance</u>	
			<u>Favorable</u>	<u>1990 Actual</u>
		<u>Actual</u>	<u>(Unfavorable)</u>	
Police Services	400,000	550,854	150,854	434,056
Fire Services	1,600,000	1,411,597	(188,403)	1,207,968
Civil Defense	60,000	82,602	22,602	44,466
Parking Facilities	2,800,000	3,281,699	481,699	3,495,589
Street, Sidewalk and Curb Repairs	8,300,000	5,448,936	(2,851,064)	8,349,615
Real Property - Rents	45,000	29,620	(15,380)	48,735
Demolition of Abandoned Structures	60,000	12,429	(47,571)	53,895
Building - Rents	200,000	173,922	(26,078)	209,329
Damage to City Property	25,000	8,636	(16,364)	87,514
Other Revenues - Public Facilities	15,000	25,275	10,275	12,498
Concessions - Parks	1,000	4,725	3,725	601
Miscellaneous - Parks	6,000	8,050	2,050	6,475
Golf Fees - Parks	-	(25)	(25)	-
Veterans Services	70,000	102,073	32,073	75,013
Public Works - Other Charges	3,500	4,539	1,039	4,093
Tuition and Transportation - Schools	600,000	422,095	(177,905)	661,130
Miscellaneous Receipts - Schools	100,000	34,359	(65,641)	215,241
Library Fees	120,000	146,013	26,013	117,176
Library of Last Recourse	-	2,354,808	124,524	1,644,102
Registry of Deeds	1,850,000	1,408,545	(441,455)	1,835,900
Telephone Commissions - County	10,000	47,309	37,309	23,283
Telephone Commissions - Real Property	100,000	168,327	68,327	177,224
Insurance Proceeds	50,000	41,980	(8,020)	77,414

Exhibit A-1 (continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)
Year Ended June 30, 1991

Classification	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1990 Actual
City Workmens Comp. Reimbursement	1,550,000	1,550,000	2,175,063	625,063	750,949
Settlements - Water/Sewer	1,300,000	1,300,000	521,608	(778,392)	7,678,885
Pensions and Annuities	2,200,000	2,200,000	2,059,381	(140,619)	2,020,980
Fringe and Indirect	400,000	400,000	736,877	336,877	265,210
Fire Department Special Detail	-	-	63,622	63,622	-
Contributions and Donations	1,000	1,000	-	(1,000)	20,392
Discount Taken	-	-	19,139	19,139	1,219
Prior Year Reimbursements	3,400,000	3,400,000	7,870,345	4,470,345	14,311,849
Tellers Adjustments	-	-	(842)	(842)	(7,465)
Miscellaneous Refunds	175,000	175,000	198,896	23,896	160,018
Miscellaneous Collections	25,000	25,000	428,342	403,342	11,242
Child Support Reimbursement	-	-	154	154	-
Miscellaneous - Treasury	1,000	1,000	1,583	583	121
Paid Detail - Administrative Fees	1,600,000	1,600,000	1,546,373	(53,627)	1,187,908
Authorized Special Revenue	-	-	-	-	274,986
Other Available Funds	-	-	-	-	3,288,438
Revenue class total	34,873,950	37,104,234	38,016,136	911,902	55,932,158
FINES					
Parking Fines	61,900,000	57,556,318	18,153,048	(39,403,270)	15,980,683
Mail Collection of Parking fines	-	-	31,741,250	31,741,250	25,235,710
Superior Criminal Court	2,000	2,000	6,500	4,500	2,738

Exhibit A-1 (continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)

Year Ended June 30, 1991

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	
				<u>Favorable</u>	<u>1990 Actual</u>
				<u>(Unfavorable)</u>	
Supreme Judicial Court	500	500	-	(500)	200
Municipal Criminal Court	350,000	350,000	363,298	13,298	348,427
East Boston District Court	150,000	150,000	179,993	29,993	150,149
Brighton District Court	325,000	325,000	331,620	6,620	314,136
Charlestown District Court	50,000	50,000	18,615	(31,385)	59,707
Dorchester District Court	490,000	490,000	384,206	(105,794)	490,532
Roxbury District Court	560,000	560,000	539,593	(20,408)	560,158
South Boston District Court	250,000	250,000	180,831	(69,169)	255,660
West Roxbury District Court	400,000	400,000	352,715	(47,286)	404,250
House of Correction - Regular	50,000	50,000	50,332	332	63,006
House of Correction - Work Release	-	-	2,046	2,046	-
County Jail	10,000	10,000	-	(10,000)	6,834
Code Enforcement	275,000	275,000	329,739	54,739	273,514
Revenue class total	64,812,500	60,468,818	52,633,786	(7,835,033)	44,145,702
PAYMENTS IN LIEU OF TAXES					
Boston College	68,000	68,000	70,000	2,000	68,229
New England Deaconess Hospital	42,000	42,000	42,000	-	42,000
New England Medical Center Hospital	300,000	300,000	286,316	(13,684)	300,153
Digital Equipment	42,800	42,800	42,800	-	64,200
Blue Cross / Blue Shield	575,000	575,000	671,216	96,216	384,341
Old City Hall	480,000	480,000	601,535	121,535	355,285

Exhibit A-1 (continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)
Year Ended June 30, 1991

Classification	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1990 Actual
Boston University	290,000	290,000	281,500	(8,500)	295,256
Urban Redevelopment Chapter 121A	9,400,000	9,400,000	9,823,167	423,167	9,401,134
Miscellaneous	20,000	20,000	35,566	15,566	14,329
Mass Port Authority	6,100,000	6,100,000	6,017,739	(82,261)	6,017,739
Sale of Property - Special Tax	25,000	25,000	35,851	10,851	8,064
State - Special Tax	-	-	-	-	33,768
Berkeley School	100,000	100,000	152,471	52,471	104,262
Trimount Foundation	15,000	15,000	14,800	(200)	14,800
Harvard Community Health Plan	250,000	250,000	253,205	3,205	248,091
Hood Milk	497,500	497,500	248,750	(248,750)	497,500
Mass General Hospital	700,000	700,000	728,021	28,021	704,367
Harvard University	1,080,000	1,080,000	1,086,594	6,594	1,058,531
Suffolk University	40,000	40,000	41,076	1,076	39,214
Simmons College	7,500	7,500	7,500	-	7,500
Northeastern University	90,000	90,000	113,070	23,070	89,570
New England Nursing Home	56,000	56,000	56,000	-	56,000
New England School of Law	13,125	13,125	13,124	(1)	13,124
Brighams and Womens Hospital	232,000	232,000	232,000	-	232,000
Economic Development Industrial Corporation	250,000	250,000	-	(250,000)	206,960
Tufts University	13,000	13,000	6,752	(6,248)	13,320
Section 2C	240,000	240,000	106,451	(133,549)	249,461
University Hospital	40,000	40,000	72,556	32,556	-
Museum of Fine Arts	47,000	47,000	234,464	187,464	47,615

Exhibit A - 1 (continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)
Year Ended June 30, 1991

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1990 Actual</u>
ABCD	20,000	20,000	-	(20,000)	15,000
Revenue class total	21,033,925	21,033,925	21,274,524	240,599	20,581,812
INVESTMENT INCOME					
Interest on Investments	17,800,000	17,800,000	14,503,954	(3,296,046)	16,917,982
Revenue class total	17,800,000	17,800,000	14,503,954	(3,296,046)	16,917,982
LICENSES AND PERMITS					
Building Structures and Permits	8,400,000	8,400,000	6,689,380	(1,710,620)	8,119,487
Weights and Measures	230,000	230,000	153,209	(76,791)	130,910
Street and Curb Permits	1,400,000	1,400,000	1,564,595	164,595	1,017,016
Health Inspections	650,000	650,000	583,670	(66,331)	528,089
Alcoholic Beverages Licenses	2,200,000	2,200,000	2,147,466	(52,535)	2,171,284
Entertainment Licenses	375,000	375,000	459,556	84,556	371,646
Police and Protective Permits	360,000	360,000	379,284	19,284	327,864
Professional & Occupational Licenses	100,000	100,000	99,895	(105)	100,796
Other Business Licenses and Permits	700,000	700,000	689,380	(10,620)	709,780
Cable Television	650,000	650,000	645,271	(4,729)	598,327
Burial Permits	100,000	100,000	80,590	(19,410)	-
Revenue class total	15,165,000	15,165,000	13,492,293	(1,672,707)	14,075,198

Exhibit A-1 (continued)

GENERAL FUND

Schedule of Revenues and Other Financing Sources Compared to Budget (Non-GAAP)
Year Ended June 30, 1991

<u>Classification</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1990 Actual</u>
SALE OF PROPERTY					
Sale of City Property	500,000	500,000	500,000	-	-
Revenue class total	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
TRANSFERS FROM OTHER FUNDS					
Appropriated Cemetery Trustee	1,000,000	1,000,000	999,999	(1)	1,470,000
Appropriated Parking Meter Receipts	6,800,000	6,800,000	6,800,000	-	8,700,000
Other Available Funds	509,519	412,649	1,582,583	1,169,934	-
Revenue class total	<u>8,309,519</u>	<u>8,212,649</u>	<u>9,382,582</u>	<u>1,169,933</u>	<u>10,170,000</u>
OTHER AVAILABLE FUNDS					
Appropriated Fund Balance - "Free Cash"	29,011,952	38,578,934	38,568,934	(10,000)	20,023,000
Revenue class total	<u>29,011,952</u>	<u>38,578,934</u>	<u>38,568,934</u>	<u>(10,000)</u>	<u>20,023,000</u>
Total Revenues and Other Financing Sources	1,363,826,339	1,371,183,053	1,368,049,461	(3,133,592)	1,344,629,092
Less Prior Year Deficits	-	-	-	-	999,879
Net Revenue Available for Appropriation	<u>\$ 1,363,826,339</u>	<u>\$ 1,371,183,053</u>	<u>\$ 1,368,049,461</u>	<u>\$ (3,133,592)</u>	<u>\$ 1,343,629,213</u>

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non - GAAP)
Year Ended June 30, 1991

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1990 Actual
GENERAL GOVERNMENT					
Mayor's Office	\$ 968,693	\$ 1,013,693	\$ 948,842	\$ 64,851	\$ 977,117
City Council	2,444,350	2,444,350	2,279,336	165,015	2,303,261
Consumer Affairs and Licensing	420,124	420,124	369,986	50,138	405,751
Election Department - Election Division	2,329,547	2,335,747	2,315,413	20,334	2,225,763
Election Department - Listing Board	440,000	488,800	448,650	40,150	423,803
Auditing Department	1,522,000	1,522,000	1,419,799	102,201	1,359,681
Assessing Department	5,787,161	5,787,161	5,210,434	576,727	6,159,813
Treasury Department - Collecting Division	2,347,000	2,347,000	2,280,076	66,924	2,181,523
Treasury Department - Treasury Division	1,197,000	1,197,000	1,045,077	151,923	1,111,055
Budget/Program Evaluation	2,228,264	2,194,469	1,914,853	279,616	2,126,249
Personnel Management	1,637,467	1,637,467	1,563,535	73,932	1,670,362
Purchasing Division	958,844	958,844	916,987	41,857	987,385
Contract Management	184,884	184,884	186,242	(1,358)	174,736
Printing Division	1,908,916	1,908,916	1,827,319	81,597	1,885,855
Cable Communications	451,484	471,484	455,915	15,569	464,727
Labor Relations	374,936	409,936	390,058	19,878	351,066
Management Information Sys	8,288,642	8,288,642	8,045,963	242,679	7,610,000
Intergovernmental Relations	611,632	621,632	615,058	6,574	591,242
Minority/Womens Business	200,931	230,931	215,393	15,538	172,888
Law Department	3,180,302	4,200,302	3,884,566	315,736	3,305,921
Major Vendor Clearing Account	-	-	235,455	(235,455)	220,498
Payroll Contingency	-	-	646,449	(646,449)	200,000

Exhibit A-2 (continued)

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non-GAAP)
Year Ended June 30, 1991

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1990 Actual
Worker's Compensation Division	455,651	455,651	362,218	93,433	(7,150)
City Clerk	593,898	593,898	513,469	80,429	498,011
Registry Division	655,000	670,000	640,579	29,421	653,663
Finance Commission	147,450	147,450	147,014	436	143,870
Reserve Fund	-	300,000	300,000	-	725,000
Policy Office	572,200	572,200	510,400	61,800	602,526
Fair Housing Commission	241,057	241,057	177,006	64,051	132,600
Emergency Shelter Commission	222,125	230,125	205,072	25,053	197,648
Press Office	184,018	194,018	181,004	13,014	192,689
Neighborhood Services	1,233,000	1,233,000	1,108,330	124,670	1,187,299
Business and Cultural Development	1,053,740	1,053,740	1,019,246	34,494	1,077,093
Capital Planning	411,067	411,067	386,204	24,863	403,824
Women's Commission	120,040	120,040	108,859	11,181	109,843
Human Rights Commission	229,573	229,573	156,980	72,593	227,282
Costs of Issuance - Rans	500,000	500,000	335,069	164,931	243,616
Annual Audit Costs	525,000	525,000	357,928	167,072	532,486
Activity Total	44,625,996	46,140,201	43,724,785	2,415,416	43,828,993
HUMAN SERVICES					
Rent Equity Board	1,182,185	1,232,185	1,174,929	57,256	1,194,556
Elderly Commission	2,194,650	2,194,650	2,043,344	151,306	2,154,703

Exhibit A-2 (continued)

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non-GAAP)
Year Ended June 30, 1991

City of Boston, Massachusetts

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1990 Actual
Persons With Disabilities	194,599	194,599	179,401	15,198	171,646
Arts and Humanities Office	182,338	197,338	187,203	10,135	195,764
Veterans Services Department	2,455,789	2,455,789	2,584,697	(128,908)	2,586,928
Veterans Graves Registration	121,842	121,842	118,632	3,210	117,154
Jobs and Community Services	301,184	301,184	323,739	(22,555)	748,741
Activity Total	6,632,587	6,697,587	6,611,946	85,641	7,169,492
PUBLIC SAFETY					
Police Department	127,640,000	127,640,000	126,231,152	1,408,848	126,125,434
Fire Department	86,579,177	86,649,177	85,082,459	1,566,718	85,799,720
Transportation - Traffic Division	15,400,000	15,400,000	14,541,630	858,370	13,707,885
Youth Fund	500,000	535,000	535,000	-	-
Licensing Board	488,766	488,766	438,981	49,785	432,134
Transportation - Parking Clerk	9,600,000	9,600,000	8,239,194	1,360,806	7,614,507
Inspectional Services Department	10,403,000	10,553,000	9,954,653	598,347	10,338,048
Activity Total	250,610,943	250,865,943	245,023,069	5,842,874	244,017,727
PUBLIC WORKS					
Public Works Department	64,188,000	64,188,000	62,581,482	1,606,518	61,699,883
Snow Removal	2,250,000	2,250,000	2,497,098	(247,098)	4,024,283
Activity Total	66,438,000	66,438,000	65,078,581	1,359,419	65,724,166

Exhibit A-2 (continued)

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non-GAAP)
Year Ended June 30, 1991

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1990 Actual
PROPERTY AND DEVELOPMENT					
Real Property - Administration	772,738	772,738	719,106	53,632	579,824
Real Property - Building Division	5,266,769	5,266,769	5,271,495	(4,726)	5,650,923
Real Property - Property Division	1,176,135	1,176,135	1,092,124	84,011	1,369,692
Public Facilities Department	10,194,245	10,194,245	9,823,319	370,926	11,082,693
PFD - Community Schools Division	9,186,240	9,386,240	8,998,830	387,410	8,489,446
Activity Total	26,596,127	26,796,127	25,904,874	891,253	27,172,579
PARKS AND RECREATION					
Parks and Recreation Department	11,686,500	11,686,500	11,486,153	200,347	12,170,868
Environmental Division	594,134	594,134	556,593	37,541	590,204
Cemetery Division	1,396,000	1,396,000	1,306,293	89,707	1,707,775
Activity Total	13,676,634	13,676,634	13,349,040	327,594	14,468,847
LIBRARY					
Library Department	19,588,910	21,819,194	21,819,187	7	21,853,153
Activity Total	19,588,910	21,819,194	21,819,187	7	21,853,153

Exhibit A-2 (continued)

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non-GAAP)
Year Ended June 30, 1991

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1990 Actual
SCHOOLS					
General School Purposes	385,000,000	389,000,000	388,973,327	26,673	374,416,994
Activity Total	385,000,000	389,000,000	388,973,327	26,673	374,416,994
HEALTH AND HOSPITALS					
Health and Hospitals Department	193,578,000	193,578,000	194,357,858	(779,858)	186,811,650
Activity Total	193,578,000	193,578,000	194,357,858	(779,858)	186,811,650
COUNTY					
Registry of Deeds	1,656,200	1,656,200	1,534,840	121,360	1,549,955
Suffolk County Jail	14,885,000	14,885,000	14,142,378	742,622	11,424,885
Penal Department	14,976,700	16,200,000	15,272,625	927,375	13,555,235
Activity Total	31,517,900	32,741,200	30,949,843	1,791,357	26,530,075
JUDGEMENTS AND CLAIMS					
Execution of Courts	4,750,000	4,932,000	6,731,040	(1,799,040)	7,124,200
Activity Total	4,750,000	4,932,000	6,731,040	(1,799,040)	7,124,200

Exhibit A-2 (continued)

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non-GAAP)
Year Ended June 30, 1991

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1990 Actual
OTHER EMPLOYEE BENEFITS					
Medicare Payments	1,450,000	1,450,000	1,380,911	69,089	1,343,315
Health Benefits and Insurance	51,910,000	52,693,795	57,317,086	(4,623,291)	50,507,332
Retirement Board	1,925,000	1,925,000	1,925,000	-	2,047,746
Workmens Compensation Services	-	-	-	-	332,445
Workmens Compensation Fund	2,000,000	2,000,000	3,607,916	(1,607,916)	3,274,888
Activity Total	57,285,000	58,068,795	64,230,913	(6,162,118)	57,505,726
PENSION COSTS					
Unemployment Compensation	50,000	50,000	198,768	(148,768)	42,353
Pensions and Annuities - City	9,000,000	9,000,000	7,788,132	1,211,868	9,106,069
Pensions and Annuities - County	750,000	750,000	701,252	48,748	753,696
State - Boston Retirement System	113,075,745	113,075,745	113,033,217	42,528	114,176,816
Activity Total	122,875,745	122,875,745	121,721,369	1,154,376	124,078,934
STATE & DISTRICT ASSESSMENTS					
State Exam of Retirement	247,262	247,262	247,262	-	225,014
Health Insurance/Retirement	1,276,834	1,276,834	1,276,834	-	1,472,658
Mosquito Control Projects	187,193	187,193	135,625	51,569	150,695
Special Education Chapter 766	878,656	878,656	502,178	376,478	628,897
Suffolk County Extension Service	3863	3863	3,863	-	-

Exhibit A-2 (continued)

GENERAL FUND

Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Non-GAAP)
Year Ended June 30, 1991

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1990 Actual
Metropolitan Air Pollution Center	118,188	118,188	118,188	-	115,448
Metropolitan Area Planning	115,116	115,116	115,116	-	111,967
M.B.T.A. Assessments	48,932,484	48,932,484	48,932,484	-	47,592,058
M.D.C. Assessments	11,498	11,498	11,399	100	11,399
Activity Total	51,771,094	51,771,094	51,342,948	428,146	50,308,136
DEBT REQUIREMENTS					
Redemption of City Loans	48,875,000	48,875,000	48,875,000	-	49,390,000
City Debt and Interest payments	36,804,403	36,707,533	36,804,403	(96,870)	32,932,733
Interest on Temporary Loans	3,200,000	200,000	-	200,000	-
Activity Total	88,879,403	85,782,533	85,679,403	103,130	82,322,733
Total Expenditures	\$ 1,363,826,339	\$ 1,371,183,053	\$ 1,365,498,181	\$ 5,684,872	\$ 1,333,333,406

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SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources, other than debt service, trust funds or capital projects, that are legally restricted for specific purposes.

City Fund accounts for the a number of small federal and state grants administered by the City's individual departments. These funds provide additional support to department programs.

Revolving Loans Fund accounts for funds that are set aside, generally by state statute, that are used to support the City's general fund operations. These funds are directly linked to a specific activity and are available without further City Council appropriation.

Boston Public Schools accounts for funds provided by the U.S. Department of Education and the Commonwealth's Department of Education for the Boston Public Schools. These funds directly support a number of educational programs for the City's residents.

Jobs and Community Service and Jobs Bill are funds from the U.S. Department of Labor and the Commonwealth of Massachusetts for various job training programs which benefit low and moderate income residents of the City. These funds are administered by the Mayor's Office of Jobs and Community Services.

Community Development Block Grants are funds from the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant program. These funds are used to support eligible community development and social programs.

Urban Development Action Grants this fund accounts for money provided through HUD's Urban Development Action Grant (UDAG) program. These grants are used for various residential, commercial, and industrial projects within the City.

Neighborhood Development Fund accounts for loan repayments from UDAG. These funds are used for Title I eligible activities in the City's neighborhoods.

Public Works are funds used for miscellaneous public works projects.

Building Loan Program are short term loans for eligible activities provided through the CDBG's program's unexpended balances.

Housing Development Action Grants are funds provided through HUD's Housing Development Action Grant (HODAG). HODAG funds are targeted for low and moderate income family housing needs.

Neighborhood Research accounts for funds that the City may receive for neighborhood planning and assistance.

Other Special Revenue Funds this fund accounts for an array of state, federal and local grant funds that support programs administered by various municipal departments.

Boston Redevelopment Authority accounts for funds provided by Community Development Block Grants, Urban Development Action Grants and the Neighborhood Development Fund. The Authority was created for the general purpose of planning, coordinating and assisting in the revitalization and development of the Boston area.

Exhibit B-1

SPECIAL REVENUE FUNDS

Combining Balance Sheet
June 30, 1991

	<u>City Fund</u>	<u>Revolving Loans Fund</u>	<u>Boston Public Schools</u>
ASSETS			
Cash and short-term investments	\$ 1,774,525	\$ 36,556,317	\$ (1,108,419)
Receivables (net, of allowances for uncollectible amounts):			
Intergovernmental	294,670	2,036	4,547,182
Accounts	-	753,841	-
Notes	-	-	-
Total receivables	<u>294,670</u>	<u>755,877</u>	<u>4,547,182</u>
Due from other funds	-	-	-
Other assets	-	-	-
Total assets	\$ <u>2,069,195</u>	\$ <u>37,312,194</u>	\$ <u>3,438,763</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants and accounts payable	\$ 941,718	\$ 321,371	\$ 3,432,377
Accrued liabilities:			
Other	-	15,829,620	-
Due to other funds	-	3,031,959	-
Deferred revenue	-	-	-
Total liabilities	<u>941,718</u>	<u>19,182,950</u>	<u>3,432,377</u>
Fund Balances:			
Reserved for:			
Encumbrances and continuing appropriations	2,563,642	1,676,081	2,242,478
Unreserved:			
Designated	-	-	-
Undesignated	(1,436,165)	16,453,163	(2,236,092)
Total fund balance	<u>1,127,477</u>	<u>18,129,244</u>	<u>6,386</u>
Total liabilities and fund balance	\$ <u>2,069,195</u>	\$ <u>37,312,194</u>	\$ <u>3,438,763</u>

City of Boston, Massachusetts

<u>Jobs and Community Service</u>	<u>Community Development Block Grant</u>	<u>Jobs Bill Program</u>	<u>Urban Development Action Grant</u>	<u>Neighborhood Development</u>
\$ (1,240,084)	\$ 23,135,815	\$ 374,191	\$ 307,438	\$ 17,880,281
2,188,286	206,000	571,210	510,000	—
1	—	—	—	—
—	—	—	—	—
<u>2,188,287</u>	<u>206,000</u>	<u>571,210</u>	<u>510,000</u>	<u>—</u>
30,295	83,926	—	—	—
—	—	—	—	—
<u>\$ 978,498</u>	<u>\$ 23,425,741</u>	<u>\$ 945,401</u>	<u>\$ 817,438</u>	<u>\$ 17,880,281</u>
\$ 182,569	\$ 2,024,847	\$ 70,456	\$ 510,000	\$ 141,720
—	—	—	—	—
2,709	—	—	—	—
—	4,928,593	—	—	—
<u>185,278</u>	<u>6,953,440</u>	<u>70,456</u>	<u>510,000</u>	<u>141,720</u>
621,401	5,190,444	139,947	791,151	2,023,061
—	—	—	—	—
171,819	11,281,857	734,998	(483,713)	15,715,500
793,220	16,472,301	874,945	307,438	17,738,561
<u>\$ 978,498</u>	<u>\$ 23,425,741</u>	<u>\$ 945,401</u>	<u>\$ 817,438</u>	<u>\$ 17,880,281</u>

(continued)

Exhibit B-1 (continued)

SPECIAL REVENUE FUNDS

Combining Balance Sheet
June 30, 1991

	<u>Public Works</u>	<u>Innovative Grants</u>	<u>Building Loan Program</u>
ASSETS			
Cash and short-term investments	\$ 588,241	\$ (26)	\$ (20,209,840)
Receivables (net, of allowances for uncollectible amounts):			
Intergovernmental	-	-	1,429,316
Accounts	-	-	(1)
Notes	-	-	-
Total receivables	<u>-</u>	<u>-</u>	<u>1,429,315</u>
Due from other funds	-	-	-
Other assets	-	-	-
Total assets	\$ <u>588,241</u>	\$ <u>(26)</u>	\$ <u>(18,780,525)</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants and accounts payable	\$ -	\$ -	\$ 49,125
Accrued liabilities:			
Other	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>49,125</u>
Fund Balances:			
Reserved for:			
Encumbrances and continuing appropriations	-	-	1,307,062
Unreserved:			
Designated	-	-	-
Undesignated	588,241	(26)	(20,136,712)
Total fund balance	588,241	(26)	(18,829,650)
Total liabilities and fund balance	\$ <u>588,241</u>	\$ <u>(26)</u>	\$ <u>(18,780,525)</u>

City of Boston, Massachusetts

<u>Housing Development Action Grants</u>	<u>Neighborhood Research</u>	<u>Other</u>	<u>Boston Redevelopment Authority</u>	<u>Totals</u>	
				<u>1991</u>	<u>1990</u>
\$ (85,769)	\$ 276,446	\$ 3,914,100	\$ 5,174,952	\$ 67,338,168	\$ 34,724,723
-	-	-	681	9,749,381	1,467,997
-	-	-	45,223	799,064	994,049
-	-	-	-	-	123,221
-	-	-	45,904	10,548,445	2,585,267
-	-	-	2,008,176	2,122,397	24,100,955
-	-	-	325,797	325,797	250,955
<u>\$ (85,769)</u>	<u>\$ 276,446</u>	<u>\$ 3,914,100</u>	<u>\$ 7,554,829</u>	<u>\$ 80,334,807</u>	<u>\$ 61,661,900</u>
\$ -	\$ -	\$ (672,605)	\$ 3,745,274	\$ 10,746,852	\$ 8,473,648
-	-	-	436,947	16,266,567	13,977,981
-	-	672,605	-	3,707,273	834,350
-	-	-	-	4,928,593	9,212,010
-	-	-	4,182,221	35,649,285	32,497,989
10,839	-	-	-	16,566,106	20,303,168
-	-	-	2,087,763	2,087,763	(718,328)
(96,608)	276,446	3,914,100	1,284,845	26,031,653	9,579,071
(85,769)	276,446	3,914,100	3,372,608	44,685,522	29,163,911
<u>\$ (85,769)</u>	<u>\$ 276,446</u>	<u>\$ 3,914,100</u>	<u>\$ 7,554,829</u>	<u>\$ 80,334,807</u>	<u>\$ 61,661,900</u>

Exhibit B-2

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 1991

	<u>City Fund</u>	<u>Revolving Loans Fund</u>	<u>Boston Public Schools</u>
REVENUES:			
Local:			
Investment income	\$ -	\$ -	\$ -
Departmental and other revenue	3,675,574	11,982,749	(3,626,636)
Total local revenues	<u>3,675,574</u>	<u>11,982,749</u>	<u>(3,626,636)</u>
Intergovernmental:			
Federal	3,619,770	498,355	48,117,552
Commonwealth of Massachusetts	9,993,693	2,330,308	16,759,801
Total intergovernmental revenues	<u>13,613,463</u>	<u>2,828,663</u>	<u>64,877,353</u>
Total revenues	<u>17,289,037</u>	<u>14,811,412</u>	<u>61,250,717</u>
EXPENDITURES:			
Current operations:			
General government	270,654	171,230	-
Human services	1,112,172	43,989	-
Public safety	6,621,961	6,855,720	-
Public works	5,990,057	-	-
Parks and recreation	-	1,926,515	-
Library	-	1,194,207	-
Schools	-	-	59,403,253
Community development	1,023,628	-	-
Capital outlays	-	-	2,828,184
Total expenditures	<u>15,018,472</u>	<u>10,191,661</u>	<u>62,231,437</u>
Excess (deficiency) of revenues over expenditures	<u>2,270,565</u>	<u>4,619,751</u>	<u>(980,720)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in (out), net	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	2,270,565	4,619,751	(980,720)
Fund balance (deficit), beginning of year	(1,143,088)	13,509,493	987,106
Fund balance (deficit), end of year	\$ <u>1,127,477</u>	\$ <u>18,129,244</u>	\$ <u>6,386</u>

City of Boston, Massachusetts

<u>Jobs and Community Service</u>	<u>Community Development Block Grant</u>	<u>Jobs Bill Program</u>	<u>Urban Development Action Grant</u>	<u>Neighborhood Development</u>
\$ -	\$ -	\$ -	\$ -	\$ -
1,000,003	-	-	-	8,682,419
<u>1,000,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,682,419</u>
3,890,344	(13,228,919)	1,213,907	3,276,096	-
75,416	-	-	-	-
<u>3,965,760</u>	<u>(13,228,919)</u>	<u>1,213,907</u>	<u>3,276,096</u>	<u>-</u>
<u>4,965,763</u>	<u>(13,228,919)</u>	<u>1,213,907</u>	<u>3,276,096</u>	<u>8,682,419</u>
-	-	-	-	-
3,063,781	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	14,924,091	338,962	2,678,806	3,367,440
-	1,038,283	-	-	-
<u>3,063,781</u>	<u>15,962,374</u>	<u>338,962</u>	<u>2,678,806</u>	<u>3,367,440</u>
<u>1,901,982</u>	<u>(29,191,293)</u>	<u>874,945</u>	<u>597,290</u>	<u>5,314,979</u>
-	-	-	-	-
1,901,982	(29,191,293)	874,945	597,290	5,314,979
(1,108,762)	45,663,594	-	(289,852)	12,423,582
<u>\$ 793,220</u>	<u>\$ 16,472,301</u>	<u>\$ 874,945</u>	<u>\$ 307,438</u>	<u>\$ 17,738,561</u>

(continued)

Exhibit B-2 (continued)

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 1991

	<u>Public Works</u>	<u>Innovative Grants</u>	<u>Building Loan Program</u>
REVENUES:			
Local:			
Investment income	\$ -	\$ -	\$ -
Departmental and other revenue	-	286,080	-
Total local revenues	<u>-</u>	<u>286,080</u>	<u>-</u>
Intergovernmental:			
Federal	24,362,344	-	6,219,117
Commonwealth of Massachusetts	-	-	-
Total intergovernmental revenues	<u>24,362,344</u>	<u>-</u>	<u>6,219,117</u>
Total revenues	<u>24,362,344</u>	<u>286,080</u>	<u>6,219,117</u>
EXPENDITURES:			
Current operations:			
General government	-	-	-
Human services	-	-	-
Public safety	-	-	-
Public works	-	-	-
Parks and recreation	-	-	-
Library	-	-	-
Schools	-	-	-
Community development	-	-	7,664,373
Capital outlays	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>7,664,373</u>
Excess (deficiency) of revenues over expenditures	<u>24,362,344</u>	<u>286,080</u>	<u>(1,445,256)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in (out), net	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	24,362,344	286,080	(1,445,256)
Fund balance (deficit), beginning of year	(23,774,103)	(286,106)	(17,384,394)
Fund balance (deficit), end of year	\$ <u>588,241</u>	\$ <u>(26)</u>	\$ <u>(18,829,650)</u>

City of Boston, Massachusetts

Housing Development Action Grants	Neighborhood Research	Other	Boston Redevelopment Authority	Totals	
				1991	1990
\$ -	\$ -	\$ -	\$ 55,950	\$ 55,950	\$ 86,576
-	276,446	6,572,775	29,199	28,878,609	28,363,381
-	276,446	6,572,775	85,149	28,934,559	28,449,957
222,565	-	-	-	78,191,131	80,726,700
-	-	-	-	29,159,218	29,808,057
222,565	-	-	-	107,350,349	110,534,757
222,565	276,446	6,572,775	85,149	136,284,908	138,984,714
-	-	-	-	441,884	653,787
-	-	-	-	4,219,942	11,639,011
-	-	-	-	13,477,681	15,210,609
-	-	-	-	5,990,057	7,454,624
-	-	-	-	1,926,515	2,395,091
-	-	-	-	1,194,207	1,242,295
-	-	-	-	59,403,253	53,419,234
174,159	-	5,607	-	30,177,066	27,100,096
-	-	-	66,225	3,932,692	3,665,825
174,159	-	5,607	66,225	120,763,297	122,780,572
48,406	276,446	6,567,168	18,924	15,521,611	16,204,142
-	-	-	-	-	(4,299,000)
48,406	276,446	6,567,168	18,924	15,521,611	11,905,142
(134,175)	-	(2,653,068)	3,353,684	29,163,911	17,258,769
\$ (85,769)	\$ 276,446	\$ 3,914,100	\$ 3,372,608	\$ 44,685,522	\$ 29,163,911

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CAPITAL PROJECT FUNDS

These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. Such resources are derived principally from proceeds of general obligation bonds and from federal and state grants.

Departmental Equipment accounts for capital equipment provided to all city departments ranging from computer hardware to fire trucks and snow plows.

School Projects accounts for the construction, renovation and repairs to all school buildings.

Public Buildings accounts for the construction, renovation and repairs to all City owned buildings.

Hospital Department accounts for the construction, renovation and repairs to Boston City Hospital.

Urban and Economic Development accounts for the construction, renovation and rehabilitation to buildings and structures approved by the City's planning board.

Neighborhood Development Fund accounts for loan repayments from Urban Development Action Grants which provide real estate loans to low and moderate income residents of the City.

Parks and Recreation accounts for the construction and repair of park areas throughout the City.

Public Works accounts for the construction, maintenance and repair of public work projects such as: bridges street lighting, sidewalks, water mains and sewer drainage.

Chapter 90 Public Ways accounts for the design, engineering, construction and reconstruction of major roadways, streets and sidewalks.

Trust Funds account for funds authorized for specific capital purposes as designated by each trust.

Other Capital Project Funds account for other miscellaneous expenditures for various projects.

Boston Redevelopment Authority is the City's general planning agency and administers funds designated for the redevelopment of the City's downtown area and inner-city neighborhoods.

Exhibit D-1

CAPITAL PROJECTS FUNDS

Combining Balance Sheet

June 30, 1991

	<u>Departmental Equipment</u>	<u>School Projects</u>	<u>Public Buildings</u>
ASSETS			
Cash and short-term investments	\$ 5,593,505	\$ 24,901,858	\$ 38,981,880
Restricted cash	-	-	-
Receivables (net, of allowances for uncollectible amounts):			
Intergovernmental	-	893,681	614,486
Accounts	-	-	-
Notes	-	-	-
Total receivables	<u>-</u>	<u>893,681</u>	<u>614,486</u>
Due from other funds	-	-	-
Other Assets	-	-	-
Total assets	<u>\$ 5,593,505</u>	<u>\$ 25,795,539</u>	<u>\$ 39,596,366</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants and accounts payable	\$ 93,365	\$ 1,907,860	\$ 1,831,649
Accrued liabilities:			
Judgments and claims	-	-	-
Other	-	-	-
Intergovernmental	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
General obligation bonds, loans and notes payable	-	-	-
Total liabilities	<u>93,365</u>	<u>1,907,860</u>	<u>1,831,649</u>
Fund Balances:			
Reserved for:			
Encumbrances and continuing appropriations	1,193,673	10,001,194	8,926,370
Unreserved:			
Designated	-	-	-
Undesignated	4,306,467	13,886,485	28,838,347
Total fund balance	<u>5,500,140</u>	<u>23,887,679</u>	<u>37,764,717</u>
Total liabilities and fund balances	<u>\$ 5,593,505</u>	<u>\$ 25,795,539</u>	<u>\$ 39,596,366</u>

City of Boston, Massachusetts

<u>Hospital Department</u>	<u>Urban & Economic Development</u>	<u>Parks & Recreation</u>	<u>Parking Facilities</u>
\$ 3,442,162	\$ 7,656,577	\$ 2,581,998	\$ 488,955
-	-	-	-
-	-	1,387,535	-
-	-	-	-
-	-	-	-
-	-	1,387,535	-
-	-	-	-
-	-	-	-
\$ <u>3,442,162</u>	\$ <u>7,656,577</u>	\$ <u>3,969,533</u>	\$ <u>488,955</u>
\$ 261,731	\$ 142,295	\$ 1,226,945	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>261,731</u>	<u>142,295</u>	<u>1,226,945</u>	<u>-</u>
1,612,172	1,085,799	2,682,281	-
-	-	-	-
1,568,259	6,428,483	60,307	488,955
<u>3,180,431</u>	<u>7,514,282</u>	<u>2,742,588</u>	<u>488,955</u>
\$ <u>3,442,162</u>	\$ <u>7,656,577</u>	\$ <u>3,969,533</u>	\$ <u>488,955</u>

(continued)

City of Boston, Massachusetts

Exhibit D-1 (continued)

CAPITAL PROJECTS FUNDS

Combining Balance Sheet

June 30, 1991

	<u>Public Works</u>	<u>Chapter 90 Public Ways</u>	<u>Trust Fund</u>
ASSETS			
Cash and short-term investments	\$ 13,533,063	\$ (2,134,827)	\$ (164,004)
Restricted cash	-	-	-
Receivables (net, of allowances for uncollectible amounts):			
Intergovernmental	96,487	2,806,806	-
Accounts	-	-	-
Notes	-	-	-
Total receivables	<u>96,487</u>	<u>2,806,806</u>	<u>-</u>
Due from other funds	-	-	-
Other Assets	-	-	-
Total assets	\$ <u>13,629,550</u>	\$ <u>671,979</u>	\$ <u>(164,004)</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants and accounts payable	\$ 2,404,780	\$ 182,267	\$ 6,961
Accrued liabilities:			
Judgments and claims	-	-	-
Other	-	-	-
Intergovernmental	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
General obligation bonds, loans and notes payable	-	-	-
Total liabilities	<u>2,404,780</u>	<u>182,267</u>	<u>6,961</u>
Fund Balances:			
Reserved for:			
Encumbrances and continuing appropriations	10,860,694	3,498,582	92,865
Unreserved:			
Designated	-	-	-
Undesignated	364,076	(3,008,870)	(263,830)
Total fund balance	<u>11,224,770</u>	<u>489,712</u>	<u>(170,965)</u>
Total liabilities and fund balances	\$ <u>13,629,550</u>	\$ <u>671,979</u>	\$ <u>(164,004)</u>

City of Boston, Massachusetts

Other	Boston Redevelopment Authority	Totals	
		1991	1990
\$ 2,994,587	\$ 3,560,224	\$ 101,435,978	\$ 103,359,001
—	2,118,151	2,118,151	—
(2,997)	3,072,880	8,868,878	14,140,950
—	8,466,175	8,466,175	4,909,531
—	2,313,952	2,313,952	1,050,827
(2,997)	13,853,007	19,649,005	20,101,308
—	1,895,045	1,895,045	—
—	14,415,097	14,415,097	13,181,442
\$ <u>2,991,590</u>	\$ <u>35,841,524</u>	\$ <u>139,513,276</u>	\$ <u>136,641,751</u>
\$ (57,915)	\$ 230,780	\$ 8,230,718	\$ 4,392,963
—	527,700	527,700	888,200
—	1,479,086	1,479,086	5,863,578
112,701	—	112,701	112,701
542,078	1,447,968	1,990,046	4,590,568
—	7,813,238	7,813,238	4,027,325
—	9,900,000	9,900,000	9,900,000
596,864	21,398,772	30,053,489	29,775,335
—	—	39,953,630	58,957,025
—	14,442,752	14,442,752	—
2,394,726	—	55,063,405	47,909,391
2,394,726	14,442,752	109,459,787	106,866,416
\$ <u>2,991,590</u>	\$ <u>35,841,524</u>	\$ <u>139,513,276</u>	\$ <u>136,641,751</u>

Exhibit D-2

CAPITAL PROJECTS FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 1991

	<u>Departmental Equipment</u>	<u>School Projects</u>	<u>Public Buildings</u>
REVENUES:			
Local:			
Investment income	\$ -	\$ -	\$ -
Departmental and other	-	(3,226)	4,565
Total local revenues	<u>-</u>	<u>(3,226)</u>	<u>4,565</u>
Intergovernmental:			
Federal	-	-	-
Commonwealth of Massachusetts	-	893,681	1,020,742
Total intergovernmental revenues	<u>-</u>	<u>893,681</u>	<u>1,020,742</u>
Total revenues	<u>-</u>	<u>890,455</u>	<u>1,025,307</u>
EXPENDITURES:			
Judgments and claims	-	-	-
Retirement costs	-	-	-
Capital outlays	1,329,405	25,370,846	16,601,698
Debt service	107,050	566,990	472,988
Total expenditures	<u>1,436,455</u>	<u>25,937,836</u>	<u>17,074,686</u>
Excess (deficiency) of revenues over expenditures	<u>(1,436,455)</u>	<u>(25,047,381)</u>	<u>(16,049,379)</u>
OTHER FINANCING SOURCES (USES):			
Proceeds of debt	4,865,000	25,190,000	29,220,000
Operating transfers in (out), net	-	-	-
In-substance defeasance of refunded debt	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	3,428,545	142,619	13,170,621
Fund balance (deficit), beginning of year	<u>2,071,595</u>	<u>23,745,060</u>	<u>24,594,096</u>
Fund balance (deficit), end of year	\$ <u><u>5,500,140</u></u>	\$ <u><u>23,887,679</u></u>	\$ <u><u>37,764,717</u></u>

City of Boston, Massachusetts

<u>Hospital Department</u>	<u>Urban & Economic Development</u>	<u>Parks & Recreation</u>	<u>Parking Facilities</u>
\$ -	\$ -	\$ -	\$ -
1	(1,000)	(340)	-
<u>1</u>	<u>(1,000)</u>	<u>(340)</u>	<u>-</u>
-	-	-	-
1,035,624	51,300	1,474,967	-
<u>1,035,624</u>	<u>51,300</u>	<u>1,474,967</u>	<u>-</u>
1,035,625	50,300	1,474,627	-
-	-	-	-
-	-	-	-
15,262,980	2,690,461	7,796,653	-
628,655	43,226	125,520	-
<u>15,891,635</u>	<u>2,733,687</u>	<u>7,922,173</u>	<u>-</u>
<u>(14,856,010)</u>	<u>(2,683,387)</u>	<u>(6,447,546)</u>	<u>-</u>
2,495,000	2,815,000	5,215,000	-
8,765,348	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(3,595,662)	131,613	(1,232,546)	-
<u>6,776,093</u>	<u>7,382,669</u>	<u>3,975,134</u>	<u>488,955</u>
\$ <u>3,180,431</u>	\$ <u>7,514,282</u>	\$ <u>2,742,588</u>	\$ <u>488,955</u>

(continued)

Exhibit D-2 (continued)

CAPITAL PROJECTS FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 1991

	<u>Public Works</u>	<u>Chapter 90 Public Ways</u>	<u>Trust Funds</u>
REVENUES:			
Local:			
Investment income	\$ -	\$ -	\$ -
Departmental and other	-	(84,232)	1,430,023
Total local revenues	<u>0</u>	<u>(84,232)</u>	<u>1,430,023</u>
Intergovernmental:			
Federal	-	-	-
Commonwealth of Massachusetts	1,342,897	7,776,116	-
Total intergovernmental revenues	<u>1,342,897</u>	<u>7,776,116</u>	<u>-</u>
Total revenues	<u>1,342,897</u>	<u>7,691,884</u>	<u>1,430,023</u>
EXPENDITURES:			
Judgments and claims	-	-	-
Retirement costs	-	-	-
Capital outlays	13,983,753	3,023,017	1,558,190
Debt service	283,524	-	-
Total expenditures	<u>14,267,277</u>	<u>3,023,017</u>	<u>1,558,190</u>
Excess (deficiency) of revenues over expenditures	<u>(12,924,380)</u>	<u>4,668,867</u>	<u>(128,167)</u>
OTHER FINANCING SOURCES (USES):			
Proceeds of debt	10,200,000	-	-
Operating transfers in (out), net	-	-	-
In-substance defeasance of refunded debt	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(2,724,380)</u>	<u>4,668,867</u>	<u>(128,167)</u>
Fund balance (deficit), beginning of year	<u>13,949,150</u>	<u>(4,179,155)</u>	<u>(42,798)</u>
Fund balance (deficit), end of year	\$ <u>11,224,770</u>	\$ <u>489,712</u>	\$ <u>(170,965)</u>

City of Boston, Massachusetts

Other	Boston Redevelopment Authority	Total	
		1991	1990
\$ -	\$ 1,336,005	\$ 1,336,005	\$ 1,516,633
-	14,977,864	16,323,655	23,622,000
-	16,313,869	17,659,660	25,138,633
-	2,001,929	2,001,929	2,742,403
(7,054,208)	-	6,541,119	8,537,075
(7,054,208)	2,001,929	8,543,048	11,279,478
(7,054,208)	18,315,798	26,202,708	36,418,111
-	429,011	429,011	-
-	1,875,213	1,875,213	1,021,000
3,085,427	22,268,257	112,970,687	94,437,565
563,480	-	2,791,433	3,124,792
3,648,907	24,572,481	118,066,344	98,583,357
(10,703,115)	(6,256,683)	(91,863,636)	(62,165,246)
21,805,000	-	101,805,000	114,382,000
-	-	8,765,348	(18,614,175)
(16,113,342)	-	(16,113,342)	-
(5,011,457)	(6,256,683)	2,593,370	33,602,579
7,406,183	20,699,435	106,866,417	73,263,837
\$ <u>2,394,726</u>	\$ <u>14,442,752</u>	\$ <u>109,459,787</u>	\$ <u>106,866,416</u>

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ENTERPRISE FUNDS

These funds are used to account for activities operated in a manner similar to private business enterprise or where periodic determination of revenues, expenses and net income is needed.

Department of Health and Hospitals is the principal provider in the City of acute care for the indigent and other government assisted patients. The Department is comprised of two hospitals, Boston City Hospital and Mattapan Hospital, and supports an extensive network of community health centers.

Trustees of Health and Hospitals is a non-profit corporation established in 1965 by legislative enactment of the Commonwealth of Massachusetts. The Trustees principal activities are the financial administration of numerous grants and contracts, community health programs and medical research, primarily under the sponsorship of federal, state and city agencies.

Economic Development Industrial Corporation is a quasi-public agency of the City of Boston and a instrumentality of the state, whose purpose is to create and retain industrial companies and jobs through economic development, industrial real estate management, financing and job training.

Exhibit E-1

ENTERPRISE FUNDS

Combining Balance Sheet

June 30, 1991

ASSETS	Department of Health & Hospitals	Trustess of Health & Hospitals
Cash and investments	\$ 2,176,529	\$ 228,673
Restricted cash	144,321,360	-
Receivables (net, of allowances for uncollectibles):		
Intergovernmental	-	-
Accounts	48,815,141	10,602,482
Loans	-	0
Total receivables	<u>48,815,141</u>	<u>10,602,482</u>
Inventories	1,517,045	-
Due from other funds	30,654,029	-
Other assets	5,817,652	304,285
Property, plant and equipment (net of accumulated depreciation)	115,105,067	164,547
Total assets	<u>\$ 348,406,823</u>	<u>\$ 11,299,987</u>
 LIABILITIES AND FUND EQUITY		
Liabilities:		
Warrants and accounts payable	\$ 29,929,762	\$ 2,298,170
Accrued liabilities:		
Judgments and claims	2,581,318	-
Sick and vacation	6,285,090	-
Retirement costs	32,820,721	-
Third party payors	5,585,395	-
Other	10,362,532	791,914
Intergovernmental	5,000,000	5,174,949
Due to other funds	-	3,375,290
Deferred revenue	-	-
Obligations under capital lease	2,882,810	-
Bonds and notes payable	168,354,388	-
Total liabilities	<u>263,802,016</u>	<u>11,640,323</u>
Fund Equity:		
Retained earnings	84,604,807	(340,336)
Total fund equity	<u>84,604,807</u>	<u>(340,336)</u>
Total liabilities and fund equity	<u>\$ 348,406,823</u>	<u>\$ 11,299,987</u>

Economic Development Industrial Corporation	Totals	
	1991	1990
\$ 4,693,811	\$ 7,099,013	\$ 10,403,915
7,502,229	151,823,589	—
3,577,459	3,577,459	1,437,939
481,515	59,899,138	—
12,392,412	12,392,412	74,320,258
<u>16,451,386</u>	<u>75,869,009</u>	<u>75,758,197</u>
—	1,517,045	1,529,262
—	30,654,029	36,491,863
3,475,701	9,597,638	3,542,016
19,618,246	134,887,860	113,822,162
\$ <u>51,741,373</u>	\$ <u>411,448,183</u>	\$ <u>241,547,415</u>
\$ 564,193	\$ 32,792,125	\$ 26,924,559
—	2,581,318	2,581,318
—	6,285,090	6,220,079
—	32,820,721	39,541,951
—	5,585,395	11,425,292
3,667,657	14,822,103	8,058,315
2,132,544	12,307,493	6,633,900
—	3,375,290	—
11,637,478	11,637,478	16,046,694
265,221	3,148,031	3,410,913
27,338,086	195,692,474	16,871,959
<u>45,605,179</u>	<u>321,047,518</u>	<u>137,714,980</u>
6,136,194	90,400,665	103,832,435
<u>6,136,194</u>	<u>90,400,665</u>	<u>103,832,435</u>
\$ <u>51,741,373</u>	\$ <u>411,448,183</u>	\$ <u>241,547,415</u>

Exhibit E-2

ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses and Changes in Fund Equity
Year Ended June 30, 1991

	<u>Department of Health & Hospitals</u>	<u>Trustees of Health & Hospitals</u>
REVENUES:		
Net patient service revenue	\$ 181,636,121	\$ -
Investment income	-	-
Contributions and donations	-	-
Programs	-	51,114,857
Rental income	-	-
Intergovernmental	-	-
Miscellaneous	5,577,350	-
Total operating revenues	<u>187,213,471</u>	<u>51,114,857</u>
EXPENSES:		
Salaries and wages	116,830,009	-
Professional fees	20,115,193	-
Administrative and general	18,677,651	3,724,590
Materials and supplies	15,820,734	-
Depreciation	7,326,339	63,231
Retirement costs	4,815,135	-
Interest	3,897,301	-
Subsidies for community services, special programs and real estate operations	<u>24,743,966</u>	<u>50,290,811</u>
Total operating expenses	<u>212,226,328</u>	<u>54,078,632</u>
Operating income (loss) before operating transfers	(25,012,857)	(2,963,775)
Operating transfer in (out), net	<u>13,377,407</u>	<u>1,138,264</u>
Net income (loss)	(11,635,450)	(1,825,511)
Fund equity, beginning of year	<u>96,240,257</u>	<u>1,485,175</u>
Fund equity, at end of year	<u>\$ 84,604,807</u>	<u>\$ (340,336)</u>

Economic Development Industrial Corporation	Totals	
	1991	1990
\$ —	\$ 181,636,121	\$ 180,447,522
1,434,497	1,434,497	1,417,822
—	—	1,585,000
—	51,114,857	38,606,507
5,264,617	5,264,617	5,163,234
10,818,209	10,818,209	993,864
443,598	6,020,948	8,278,532
<u>17,960,921</u>	<u>256,289,249</u>	<u>236,492,481</u>
5,511,970	122,341,979	114,552,398
299,009	20,414,202	20,749,338
2,332,462	24,734,703	21,021,753
65,086	15,885,820	12,193,259
1,495,996	8,885,566	8,970,205
—	4,815,135	5,363,121
1,283,324	5,180,625	4,147,865
<u>6,943,883</u>	<u>81,978,660</u>	<u>60,047,017</u>
<u>17,931,730</u>	<u>284,236,690</u>	<u>247,044,956</u>
29,191	(27,947,441)	(10,552,475)
—	14,515,671	45,095,685
29,191	(13,431,770)	34,543,210
<u>6,107,003</u>	<u>103,832,435</u>	<u>79,048,196</u>
<u>\$ 6,136,194</u>	<u>\$ 90,400,665</u>	<u>\$ 113,591,406</u>

Exhibit E-3

ENTERPRISE FUNDS
Combining Statement of Cash Flows
Year Ended June 30, 1991

	Department of Health & Hospitals	Trustees of Health & Hospitals
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income (loss)	\$ (25,012,857)	\$ (2,963,775)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Operating subsidy / transfers in (out)	13,377,407	1,138,264
Depreciation and amortization	8,039,196	63,231
Provisions for bad debt	24,888,865	-
Loss on disposal of leased assets	-	-
Changes in operating assets and liabilities:		
Accounts receivable	(28,207,745)	979,389
Intergovernmental receivable	-	-
Inventories	12,217	-
Other assets	(5,817,652)	(172,725)
Due to / from other funds	9,213,124	8,146
Accounts payable	7,854,813	(347,344)
Accrued retirement and vacation	(6,721,230)	-
Intergovernmental payable	5,000,000	508,050
Due to third party payors	(5,839,897)	-
Other accrued liabilities	4,868,963	27,914
Deferred revenue	(2,962,879)	-
Cash provided (used) by operating activities	<u>(1,307,675)</u>	<u>(758,850)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Advances from grantors	-	(1,967,001)
Cash provided (used) by noncapital financing activities	<u>-</u>	<u>(1,967,001)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(23,841,167)	(16,860)
Proceeds from debt	168,354,388	-
Payments received on loans receivable	-	-
Principal paid on debt maturities	-	-
Payments on lease obligations	(1,764,506)	-
Other transfers	(64,320)	56,025
Acquisition of capital leases	1,584,477	-
Cash provided (used) by capital and related financing activities	<u>144,268,872</u>	<u>39,165</u>
Increase (decrease) in cash and cash equivalents	142,961,197	(2,686,686)
Cash and cash equivalents, beginning of year	<u>3,536,692</u>	<u>2,915,359</u>
Cash and cash equivalents, end of year	<u>\$ 146,497,889</u>	<u>\$ 228,673</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 5,203,056</u>	<u>-</u>

City of Boston, Massachusetts

Economic Development Industrial Corporation	Totals	
	1991	1990
\$ 29,191	\$ (27,947,441)	\$ (20,312,115)
—	14,515,671	45,095,685
1,495,996	9,598,423	9,683,066
222,333	25,111,198	67,612,782
—	—	49,483
(70,263)	(27,298,619)	(58,270,056)
(1,141,188)	(1,141,188)	(565,217)
—	12,217	(157,287)
(279,757)	(6,270,134)	(278,597)
—	9,221,270	—
(271,455)	7,236,014	1,430,730
—	(6,721,230)	(5,694,248)
—	5,508,050	—
—	(5,839,897)	(6,078,963)
563,622	5,460,499	653,313
(34,406)	(2,997,285)	819,682
<u>514,073</u>	<u>(1,552,452)</u>	<u>33,988,258</u>
—	(1,967,001)	1,366,411
<u>—</u>	<u>(1,967,001)</u>	<u>1,366,411</u>
(6,783,110)	(30,641,137)	(29,147,157)
10,707,627	179,062,015	192,988
4,131,399	4,131,399	120,261
(349,341)	(349,341)	(1,838,126)
—	(1,764,506)	(1,197,496)
—	(8,295)	(9,981,383)
23,528	1,608,005	26,913
<u>7,730,103</u>	<u>152,038,140</u>	<u>(41,824,000)</u>
8,244,176	148,518,687	(6,469,331)
<u>3,951,864</u>	<u>10,403,915</u>	<u>16,873,246</u>
\$ <u>12,196,040</u>	\$ <u>158,922,602</u>	\$ <u>10,403,915</u>
 \$ <u>1,634,018</u>	 \$ <u>6,837,074</u>	 \$ <u>4,193,763</u>

Exhibit E-4

DEPARTMENT of HEALTH and HOSPITALS

Comparative Balance Sheet

June 30, 1991 and 1990

	<u>1991</u>	<u>1990</u>
ASSETS		
Cash and investments	\$ 2,176,529	\$ 3,536,692
Restricted cash	144,321,360	—
Receivables (net, of allowances for uncollectibles):		
Accounts	48,815,141	45,496,260
Total receivables	<u>48,815,141</u>	<u>45,496,260</u>
Inventories	1,517,045	1,529,262
Due from other funds	30,654,029	39,802,829
Other assets	5,817,652	—
Property, plant and equipment (net of accumulated depreciation)	115,105,067	99,303,096
Total assets	<u>\$ 348,406,823</u>	<u>\$ 189,668,139</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Warrants and accounts payable	\$ 29,929,762	\$ 22,074,946
Accrued liabilities:		
Judgments and claims	2,581,318	2,581,318
Sick and vacation	6,285,090	6,220,079
Retirement costs	32,820,721	39,541,951
Third party payors	5,585,395	11,425,292
Other	10,362,532	5,558,578
Intergovernmental	5,000,000	—
Deferred revenue	—	2,962,879
Obligations under capital lease	2,882,810	3,062,839
Bonds and notes payable	168,354,388	—
Total liabilities	<u>263,802,016</u>	<u>93,427,882</u>
Fund Equity:		
Proprietary fund equity	84,604,807	96,240,257
Total fund equity	<u>84,604,807</u>	<u>96,240,257</u>
Total liabilities and fund equity	<u>\$ 348,406,823</u>	<u>\$ 189,668,139</u>

Exhibit E-5

DEPARTMENT of HEALTH and HOSPITALS
Comparative Statement of Revenues, Expenses and Changes in Fund Equity
Year Ended June 30, 1991 and 1990

	<u>1991</u>	<u>1990</u>
REVENUES:		
Net patient service revenue	181,636,121	170,688,551
Miscellaneous	5,577,350	5,298,326
Total operating revenues	<u>187,213,471</u>	<u>175,986,877</u>
EXPENSES:		
Salaries and wages	116,830,009	111,602,072
Professional fees	20,115,193	20,258,613
Administrative and general	18,677,651	15,655,137
Materials and supplies	15,820,734	12,157,322
Depreciation	7,326,339	7,360,603
Retirement costs	4,815,135	5,363,121
Interest	3,897,301	2,850,494
Subsidies for community services, special programs and real estate operations	<u>24,743,966</u>	<u>23,788,398</u>
Total operating expenses	<u>212,226,328</u>	<u>199,035,760</u>
Operating income (loss) before operating transfers	(25,012,857)	(23,048,883)
Operating transfer in (out), net	<u>13,377,407</u>	<u>44,190,782</u>
Net income (loss)	(11,635,450)	21,141,899
Fund equity, beginning of year	<u>96,240,257</u>	<u>75,098,358</u>
Fund equity, at end of year	<u><u>84,604,807</u></u>	<u><u>96,240,257</u></u>

Exhibit E-6

DEPARTMENT of HEALTH and HOSPITALS

Comparative Statement of Cash Flows

Year Ended June 30, 1991 and 1990

	<u>1991</u>	<u>1990</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income (loss)	\$ (25,012,857)	\$ (23,048,886)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Operating subsidy / transfers in (out)	13,377,407	44,190,782
Depreciation and amortization	8,039,196	8,073,464
Provisions for bad debt	24,888,865	67,251,958
Loss on disposal of leased assets	-	49,483
Changes in operating assets and liabilities:		
Accounts receivable	(28,207,745)	(56,296,156)
Inventories	12,217	(157,287)
Other assets	(5,817,652)	-
Due to / from other funds	9,213,124	
Accounts payable	7,854,813	527,595
Accrued retirement and vacation	(6,721,230)	(5,694,248)
Intergovernmental payable	5,000,000	-
Due to third party payors	(5,839,897)	(6,078,963)
Other accrued liabilities	4,868,963	806,998
Deferred revenue	(2,962,879)	770,039
Cash provided (used) by operating activities	<u>(1,307,675)</u>	<u>30,394,779</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(23,841,167)	(28,066,507)
Proceeds from debt	168,354,388	-
Payments on lease obligations	(1,764,506)	(1,197,496)
Other transfers	(64,320)	(9,710,402)
Acquisition of capital leases	1,584,477	(9,710,402)
Cash provided (used) by capital and related financing activities	<u>144,268,872</u>	<u>(48,684,807)</u>
Increase (decrease) in cash and cash equivalents	142,961,197	(18,290,028)
Cash and cash equivalents, beginning of year	3,536,692	12,116,318
Cash and cash equivalents, end of year	<u>\$ 146,497,889</u>	<u>\$ (6,173,710)</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 5,203,056</u>	<u>\$ 2,878,421</u>

Exhibit E-7

TRUSTEES of HEALTH and HOSPITALS
Comparative Balance Sheet
June 30, 1991 and 1990

ASSETS	<u>1991</u>	<u>1990</u>
Cash and short-term investments	\$ 228,673	\$ 2,915,359
Receivables (net, of allowances for uncollectibles):		
Accounts	10,602,482	11,581,871
Total receivables	<u>10,602,482</u>	<u>11,581,871</u>
Other assets	304,285	131,560
Property, plant and equipment (net of accumulated depreciation)	164,547	210,918
Total assets	<u>\$ 11,299,987</u>	<u>14,839,708</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Warrants and accounts payable	\$ 2,298,170	2,645,514
Accrued liabilities:		
Other	791,914	764,153
Intergovernmental	5,174,949	6,633,900
Due to other funds	3,375,290	3,310,966
Total liabilities	<u>11,640,323</u>	<u>13,354,533</u>
Fund Equity:		
Proprietary fund equity	(340,336)	1,485,175
Total fund equity	<u>(340,336)</u>	<u>1,485,175</u>
Total liabilities and fund equity	<u>\$ 11,299,987</u>	<u>14,839,708</u>

Exhibit E-8

TRUSTEES of HEALTH and HOSPITAL
Comparative Statement of Revenues, Expenses, and Changes in Fund Equity
Year Ended June 30, 1991 and 1990

	<u>1991</u>	<u>1990</u>
REVENUES:		
Programs	\$ 51,114,857	\$ 38,606,507
Total operating revenues	<u>51,114,857</u>	<u>38,606,507</u>
EXPENSES:		
Administrative and general	3,724,590	3,179,259
Depreciation	63,231	48,000
Subsidies for community services, special programs and real estate operations	50,290,811	36,258,619
Total operating expenses	<u>54,078,632</u>	<u>39,485,878</u>
Operating income (loss) before operating transfers	(2,963,775)	(879,371)
Operating transfer in (out), net	<u>1,138,264</u>	<u>904,903</u>
Net income (loss)	(1,825,511)	25,532
Fund equity, beginning of year	<u>1,485,175</u>	<u>1,459,643</u>
Fund equity, at end of year	<u>\$ (340,336)</u>	<u>\$ 1,485,175</u>

Exhibit E-9

TRUSTEES of HEALTH and HOSPITALS

Comparative Statement of Cash Flows

Year Ended June 30, 1991 and 1990

	<u>1991</u>	<u>1990</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income (loss)	\$ (2,963,775)	\$ (880,037)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Operating subsidy / transfers in (out)	1,138,264	904,903
Depreciation and amortization	63,231	48,000
Changes in operating assets and liabilities:		
Accounts receivable	979,389	(1,796,788)
Other assets	(172,725)	(13,577)
Due to / from trustees	8,146	-
Accounts payable	(347,344)	95,934
Intergovernmental payable	508,050	-
Other accrued liabilities	27,914	(243,125)
Deferred revenue	-	73,177
Cash provided (used) by operating activities	<u>(758,850)</u>	<u>(1,811,513)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Advances from grantors	<u>(1,967,001)</u>	<u>1,366,411</u>
Cash provided (used) by noncapital financing activities	<u>(1,967,001)</u>	<u>1,366,411</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(16,860)	(135,454)
Other transfers	<u>56,025</u>	<u>(270,981)</u>
Cash provided (used) by capital and related financing activities	<u>39,165</u>	<u>(406,435)</u>
Increase (decrease) in cash and cash equivalents	(2,686,686)	(851,537)
Cash and cash equivalents, beginning of year	<u>2,915,359</u>	<u>3,766,896</u>
Cash and cash equivalents, end of year	<u>\$ 228,673</u>	<u>\$ 2,915,359</u>

Exhibit E-10

ECONOMIC DEVELOPMENT INDUSTRIAL CORPORATION

Comparative Balance Sheet

June 30, 1991 and 1990

	<u>1991</u>	<u>1990</u>
ASSETS		
Cash and short-term investments	\$ 4,693,811	\$ 3,951,864
Restricted cash	7,502,229	-
Receivables (net, of allowances for uncollectibles):		
Intergovernmental	3,577,459	1,437,939
Accounts	481,515	633,585
Loans	12,392,412	16,608,542
Total receivables	<u>16,451,386</u>	<u>18,680,066</u>
Other assets	3,475,701	3,410,456
Property, plant and equipment (net of accumulated depreciation)	19,618,246	14,308,148
Total assets	<u>\$ 51,741,373</u>	<u>\$ 40,350,534</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Warrants and accounts payable	\$ 564,193	\$ 2,204,099
Accrued liabilities:		
Other	3,667,657	-
Intergovernmental	2,132,544	1,735,584
Deferred revenue	11,637,478	13,083,815
Obligations under capital lease	188,517	348,074
General obligation bonds and notes payable	27,414,790	16,871,959
Total liabilities	<u>45,605,179</u>	<u>34,243,531</u>
Fund Equity:		
Proprietary fund equity	6,136,194	6,107,003
Total fund equity	<u>6,136,194</u>	<u>6,107,003</u>
Total liabilities and fund equity	<u>\$ 51,741,373</u>	<u>\$ 40,350,534</u>

Exhibit E-11

ECONOMIC DEVELOPMENT INDUSTRIAL CORPORATION
Comparative Statement of Revenues, Expenses and Changes in Fund Equity
Year Ended June 30, 1991 and 1990

	<u>1991</u>	<u>1990</u>
REVENUES:	\$	\$
Investment income	1,434,497	1,417,822
Contributions and donations	—	1,585,000
Rental income	5,264,617	5,163,234
Intergovernmental	10,818,209	993,864
Miscellaneous	<u>443,598</u>	<u>2,980,206</u>
Total operating revenues	<u>17,960,921</u>	<u>12,140,126</u>
EXPENSES:		
Salaries and wages	5,511,970	2,950,326
Professional fees	299,009	490,725
Administrative and general	2,332,462	2,187,357
Materials and supplies	65,086	35,937
Depreciation	1,495,996	1,561,602
Interest	1,283,324	1,297,371
Subsidies for community services, special programs and real estate operations	<u>6,943,883</u>	<u>—</u>
Total operating expenses	<u>17,931,730</u>	<u>8,523,318</u>
Net income (loss)	29,191	3,616,808
Fund equity, beginning of year	<u>6,107,003</u>	<u>2,490,195</u>
Fund equity, at end of year	\$ <u><u>6,136,194</u></u>	\$ <u><u>6,107,003</u></u>

Exhibit E-12

ECONOMIC DEVELOPMENT INDUSTRIAL CORPORATION

Comparative Statement of Cash Flows
Year Ended June 30, 1991 and 1990

	<u>1991</u>	<u>1990</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income (loss)	\$ 29,191	\$ 3,616,808
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation and amortization	1,495,996	1,561,602
Provisions for bad debt	222,333	360,824
Changes in operating assets and liabilities:		
Accounts receivable	(70,263)	(177,112)
Intergovernmental receivable	(1,141,188)	(565,217)
Other assets	(279,757)	(265,020)
Accounts payable	(271,455)	807,201
Other accrued liabilities	563,622	89,440
Deferred revenue	(34,406)	(23,534)
Cash provided (used) by operating activities	<u>514,073</u>	<u>5,404,992</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(6,783,110)	(945,196)
Proceeds from debt	10,707,627	192,980
Payments received on loan receivable	4,131,399	120,261
Principal paid on debt maturities	(349,341)	(1,838,126)
Acquisition of capital leases	23,528	26,913
Cash provided (used) by capital and related financing activities	<u>7,730,103</u>	<u>(2,443,160)</u>
Increase (decrease) in cash and cash equivalents	8,244,176	2,961,832
Cash and cash equivalents, beginning of year	<u>3,951,864</u>	<u>990,032</u>
Cash and cash equivalents, end of year	\$ <u><u>12,196,040</u></u>	\$ <u><u>3,951,864</u></u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ <u><u>1,634,018</u></u>	\$ <u><u>1,315,342</u></u>

TRUST AND AGENCY FUNDS

Trust and Agency funds account for assets held in a trustee capacity or as an agent for individuals, private corporations, other governments and other funds.

PENSION TRUSTS

State-Boston Retirement System is a defined benefit contributory retirement plan covering employees of the City of Boston, the Boston Housing Authority, the Boston Redevelopment Authority and the Boston Water and Sewer Commission. The system is subject to benefit provisions and financing requirements set forth primarily in Chapter 32 of the Massachusetts General Laws.

Boston Retirement System is the independent contributory plan system available exclusively to City of Boston employees who were employed prior to October 1, 1946.

Health and Hospital Pension Trust is designed to be a mechanism for the collection of revenues from third-party payers for services provided by the Department of Health and Hospitals. It was established for the purpose of offsetting the future costs of the Department's pension liability.

NONEXPENDABLE TRUST FUNDS

City Funds are used for the maintenance and improvement of the City's parks and cemeteries and the erection and maintenance of statues and monuments for the use and enjoyment of City residents.

School Funds used for scholarship awards, the purchase of educational equipment and the aid of needy students.

George Robert White Fund was formed by the will of George R. White dated May 21, 1920. The will requires that the Fund's income is used for the creation of public utility and beauty for the use and enjoyment of the inhabitants of the City.

Trustees of the Boston Public Library Fund represent bequests in the form of endowments with income restricted to donor-designated purposes or to the general purposes of the Boston Public Library.

EXPENDABLE TRUST FUNDS

City Funds, School Funds, George Robert White Fund and the Trustees of the Boston Public Library Fund account for the accumulated interest and dividends generated from the Nonexpendable Trust Funds awaiting expenditure or reinvestment of principal and income.

Neighborhood Housing Fund established to support the creation and preservation of affordable housing for low and moderate income residents of Boston. Developers of certain large-scale commercial real estate projects in the City are required to make contributions in the form of payments to the Fund.

Neighborhood Jobs Fund established to protect and provide employment opportunities for low and moderate income residents of Boston. As mandated by the Boston Zoning Code developers of certain large-scale commercial real estate projects in the City are required to make contributions to the Fund over a two year period.

Trustees of Health and Hospital Funds represent bequests in the form of endowments with income restricted to donor-designated purposes or to the general purposes of the Boston City Hospital.

Blue Cross Blue Shield Fund accounts for contributions received for both employer and employee to pay for health insurance costs to Blue Cross Blue Shield.

AGENCY FUND

Boston Redevelopment Authority accounts for resources received and held by the Authority as an agent for other entities including Urban Development Action Grants and other funds for housing initiatives.

Exhibit F-1

TRUST and AGENCY FUNDS

Combining Balance Sheet

June 30, 1991

	Pension Trust Funds			
	State/Boston Retirement System	Boston Retirement System	Health & Hospitals Pension Trust	Total
ASSETS				
Cash and investments	\$ 879,647,000	\$ 1,116,810	\$ 50,451,398	\$ 931,215,208
Restricted cash	-	-	-	-
Receivables (net, of allowances for uncollectibles):				
Intergovernmental	8,751,000	130,923	-	8,881,923
Accounts	19,253,000	-	-	19,253,000
Notes	-	-	-	-
Total receivables	<u>28,004,000</u>	<u>130,923</u>	<u>-</u>	<u>28,134,923</u>
Due from other funds	64,269,000	284,258	-	64,553,258
Other assets	-	-	-	-
Property, plant and equipment	-	-	-	-
Total assets	<u>\$ 971,920,000</u>	<u>\$ 1,531,991</u>	<u>\$ 50,451,398</u>	<u>\$ 1,023,903,389</u>
LIABILITIES AND FUND BALANCE				
Liabilities:				
Warrants and accounts payable	\$ 8,068,000	\$ -	\$ -	\$ 8,068,000
Other accrued liabilities	604,000	-	-	604,000
Due to other funds	-	-	-	-
Bonds and notes payable	-	-	-	-
Total liabilities	<u>8,672,000</u>	<u>-</u>	<u>-</u>	<u>8,672,000</u>
Fund Balance:				
Reserved for:				
Encumbrances	-	-	-	-
Employee retirement system	963,248,000	1,531,991	50,451,398	1,015,231,389
Unreserved:				
Designated	-	-	-	-
Undesignated	-	-	-	-
Total fund balance	<u>963,248,000</u>	<u>1,531,991</u>	<u>50,451,398</u>	<u>1,015,231,389</u>
Total liabilities and fund balance	<u>\$ 971,920,000</u>	<u>\$ 1,531,991</u>	<u>\$ 50,451,398</u>	<u>\$ 1,023,903,389</u>

City of Boston, Massachusetts

Nonexpendable Trust Funds

<u>City Funds</u>	<u>School Funds</u>	<u>George Robert White Fund</u>	<u>Trustees of the Public Library</u>	<u>Total</u>
\$ 23,570,458	\$ 618,572	\$ 11,525,999	\$ 15,011,921	\$ 50,726,950
-	-	-	-	-
-	-	-	-	-
52,375	-	-	-	52,375
-	-	-	-	-
52,375	-	-	-	52,375
-	-	-	-	-
-	-	-	-	-
60,000	-	131,162	-	191,162
<u>\$ 23,682,833</u>	<u>\$ 618,572</u>	<u>\$ 11,657,161</u>	<u>\$ 15,011,921</u>	<u>\$ 50,970,487</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	2,251	-	-	2,251
-	-	-	-	-
-	-	-	-	-
-	2,251	-	-	2,251
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
23,682,833	616,321	11,657,161	15,011,921	50,968,236
23,682,833	616,321	11,657,161	15,011,921	50,968,236
<u>\$ 23,682,833</u>	<u>\$ 618,572</u>	<u>\$ 11,657,161</u>	<u>\$ 15,011,921</u>	<u>\$ 50,970,487</u>

(continued)

Exhibit F-1 (continued)

TRUST and AGENCY FUNDS

Combining Balance Sheet

June 30, 1991

	Expendable Trust Funds			
	City Funds	School Funds	George Robert White Fund	Trustees of the Public Library
ASSETS				
Cash and investments	\$ 12,115,558	\$ 269,965	\$ 3,372,399	\$ 4,509,222
Restricted cash	-	-	-	-
Receivables (net, of allowances for uncollectibles):				
Intergovernmental	-	-	-	-
Accounts	87,482	-	-	-
Notes	-	-	455,000	-
Total receivables	87,482	-	455,000	-
Due from other funds	-	-	-	-
Other assets	-	-	-	-
Property, plant and equipment	-	-	-	-
Total assets	\$ 12,203,040	\$ 269,965	\$ 3,827,399	\$ 4,509,222
LIABILITIES AND FUND BALANCE				
Liabilities:				
Warrants and accounts payable	\$ -	\$ -	\$ -	\$ -
Other accrued liabilities	170,072	549	34,700	-
Due to other funds	-	-	312,046	-
Bonds and notes payable	-	-	-	-
Total liabilities	170,072	549	346,746	-
Fund Balance:				
Reserved for:				
Encumbrances	-	-	-	-
Employee retirement system	-	-	-	-
Unreserved:				
Designated	3,153,179	-	7,295,854	-
Undesignated	8,879,789	269,416	(3,815,201)	4,509,222
Total fund balance	12,032,968	269,416	3,480,653	4,509,222
Total liabilities and fund balance	\$ 12,203,040	\$ 269,965	\$ 3,827,399	\$ 4,509,222

Expendable Trust Funds

Trustees of Health & Hospitals	Neighborhood Housing Fund	Neighborhood Jobs Fund	Blue Cross/ Blue Shield Trust Fund	Total
\$ 15,280,399	\$ 2,241,567	\$ 913,095	\$ 473,148	\$ 39,175,353
-	1,164,371	-	-	1,164,371
-	-	-	-	-
-	153,668	21,772	-	262,922
-	3,724,605	-	-	4,179,605
-	3,878,273	21,772	-	4,442,527
-	-	7,699	1,777,041	1,784,740
-	-	-	-	-
-	-	-	-	-
\$ 15,280,399	\$ 7,284,211	\$ 942,566	\$ 2,250,189	\$ 46,566,991
\$ -	\$ -	\$ -	\$ -	\$ -
352,127	227,328	41,310	2,888,494	3,714,580
-	7,699	-	-	319,745
-	8,564,160	-	-	8,564,160
352,127	8,799,187	41,310	2,888,494	12,598,485
-	-	-	-	-
-	-	-	-	-
-	-	-	-	10,449,033
14,928,272	(1,514,976)	901,256	(638,305)	23,519,473
14,928,272	(1,514,976)	901,256	(638,305)	33,968,506
\$ 15,280,399	\$ 7,284,211	\$ 942,566	\$ 2,250,189	\$ 46,566,991

(continued)

Exhibit F-1 (continued)

TRUST and AGENCY FUNDS

Combining Balance Sheet

June 30, 1991

ASSETS	Agency Funds		
	Boston Redevelopment Authority	Totals	
		1991	1990
Cash and investments	\$ 3,873,991	\$ 1,024,991,502	\$ 1,052,994,837
Restricted cash	—	1,164,371	—
Receivables (net, of allowances for uncollectibles):			
Intergovernmental	1,400,052	10,281,975	5,258,848
Accounts	74,438	19,642,735	25,869,720
Notes	31,122,966	35,302,571	35,370,996
Total receivables	32,597,456	65,227,281	66,499,564
Due from other funds	339,763	66,677,761	65,982,911
Other assets	974,811	974,811	1,081,061
Property, plant and equipment	—	191,162	191,162
Total assets	\$ 37,786,021	\$ 1,159,226,888	\$ 1,186,749,535
LIABILITIES AND FUND BALANCE			
Liabilities:			
Warrants and accounts payable	\$ —	\$ 8,068,000	\$ 20,883,000
Other accrued liabilities	34,991,005	39,311,836	48,340,324
Due to other funds	2,795,016	3,114,761	2,205,603
Bonds and notes payable	—	8,564,160	9,402,543
Total liabilities	37,786,021	59,058,757	80,831,470
Fund Balance:			
Reserved for:			
Encumbrances	—	—	8,185,474
Employee retirement system	—	1,015,231,389	1,030,480,661
Unreserved:			
Designated	—	10,449,033	—
Undesignated	—	74,487,709	67,251,930
Total fund balance	—	1,100,168,131	1,105,918,065
Total liabilities and fund balance	\$ 37,786,021	\$ 1,159,226,888	\$ 1,186,749,535

Exhibit F-2

PENSION TRUSTS

Combining Statement of Revenues, Expenses and Changes in Fund Equity
Year Ended June 30, 1991

City of Boston, Massachusetts

	State/Boston Retirement System	Boston Retirement System	Health & Hospitals Pension Trust	Totals
			1991	1990
REVENUES:				
Investment Income	\$ 49,372,000	95,960	4,215,957	50,850,213
Net appreciation (depreciation) in fair market value of investments	(70,590,000)	-	-	18,363,000
Contributions and donations	171,085,000	300,000	-	171,385,000
Intergovernmental	21,285,000	130,923	-	21,415,923
Miscellaneous	51,000	-	-	31,395
Total operating revenues	171,203,000	526,883	4,215,957	260,437,055
EXPENSES:				
Professional fees	570,000	-	-	2,628,000
Administrative and general	1,447,000	-	15,394	1,508,107
Benefits paid	155,003,000	582,718	-	154,486,238
Members refunds, transfers and reimbursements to other systems	12,784,000	-	-	15,330,433
Total operating expenses	169,804,000	582,718	15,394	173,952,778
Excess (deficiency) of revenues over expenses	1,399,000	(55,835)	4,200,563	86,484,277
Fund equity, beginning of year	961,849,000	1,587,826	46,250,835	943,996,384
Fund equity, end of year	\$ 963,248,000	1,531,991	50,451,398	1,030,480,661

Exhibit F-3

NONEXPENDABLE TRUSTS

Combining Statement of Revenues and Expenses and Changes in Fund Equity
Year Ended June 30, 1991

	City Funds	School Funds	George Robert White Fund	Trustees of the Public Library	Totals
					1991 1990
REVENUES:					
Investment Income	\$ 2,001,959	52,420	1,037,078	1,265,668	\$ 4,357,125 \$ 4,314,864
Contributions and donations	-	400	-	693,616	694,016 573,824
Miscellaneous	92,038	531	703	-	93,272 115,638
Total operating revenues	2,093,997	53,351	1,037,781	1,959,284	5,144,413 5,004,326
EXPENSES:					
Professional fees	-	3,956	-	-	3,956 -
Administrative and general	-	630	-	-	630 4,475
Scholarships and awards	-	-	-	-	- 4,000
Scholarships and awards	-	15,650	-	-	15,650 -
Libraries	-	-	-	392,160	392,160 658,977
Total operating expenses	-	20,236	-	392,160	412,396 667,452
Operating income (loss)	2,093,997	33,115	1,037,781	1,567,124	4,732,017 4,336,874
Operating transfers out, net	(1,708,114)	(32,557)	(847,871)	(501,787)	(3,090,329) (1,759,666)
Net income	385,883	558	189,910	1,065,337	1,641,688 2,577,208
Fund equity, beginning of year	23,296,950	615,763	11,467,251	13,946,584	49,326,548 46,749,340
Fund equity, end of year	\$ 23,682,833	\$ 616,321	\$ 11,657,161	\$ 15,011,921	\$ 50,968,236 \$ 49,326,548

Exhibit F-4

NONEXPENDABLE TRUSTS

Combining Statement of Cash Flows
Year Ended June 30, 1991

	City Funds	School Funds	George Robert White Fund	Trustees of the Public Library	Totals
					1991 1990
CASH FLOWS FROM OPERATING ACTIVITIES:					
Operating income (loss)	\$ 2,093,997	\$ 33,115	\$ 1,037,781	\$ 1,567,124	\$ 4,732,017
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Operating subsidy / transfers in (out)	(1,708,114)	(32,557)	(847,871)	(501,787)	(1,759,450)
Changes in operating assets and liabilities:					
Investments	(2,053,392)	(5,378)	(93,776)	(544,870)	(2,697,416)
Accounts receivable	(11,437)	—	—	—	(11,437)
Accounts payable	—	(128)	—	—	(128)
Other accrued liabilities	—	2,001	—	—	2,001
Cash provided (used) by operating activities	(1,678,946)	(2,947)	96,134	520,467	(1,065,292)
					(42,431,030)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Advances from grantors	—	—	—	—	395,663
Cash provided by noncapital financing activities	—	—	—	—	395,663
Increase (decrease) in cash and cash equivalents	(1,678,946)	(2,947)	96,134	520,467	(1,065,292)
Cash and cash equivalents, beginning of year	2,251,781	507,141	122,239	1,205,343	4,086,504
Cash and cash equivalents, end of year	\$ 572,835	\$ 504,194	\$ 218,373	\$ 1,725,810	\$ 3,021,212
					4,086,504

Exhibit F-5

EXPENDABLE TRUST FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended June 30, 1991

	City Funds	School Funds	George Robert White Fund	Trustees of the Public Library
REVENUES:				
Investment income	\$ 929,389	\$ 17,844	\$ 274,239	\$ 250,808
Contributions and donations	999,101	—		322,690
Other revenue	454,982	—	102,442	—
Total revenues	<u>2,383,472</u>	<u>17,844</u>	<u>376,681</u>	<u>573,498</u>
EXPENDITURES:				
General government	1,846,304	4,841	195,430	—
Human services	—	—	—	—
Public works	—	—	1,695,469	—
Parks and recreation	2,106,484	—	—	—
Library	—	—	—	542,248
Schools	—	25,651	—	—
Other employee benefits	—	—	—	—
Total expenditures	<u>3,952,788</u>	<u>30,492</u>	<u>1,890,899</u>	<u>542,248</u>
Excess (deficiency) of revenues over expenditures	(1,569,316)	(12,648)	(1,514,218)	31,250
Operating transfers in (out), net	<u>683,798</u>	<u>32,557</u>	<u>847,871</u>	<u>501,787</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(885,518)</u>	<u>19,909</u>	<u>(666,347)</u>	<u>533,037</u>
Fund balance (deficit), beginning of year	12,918,486	249,507	4,147,000	3,976,185
Fund balance (deficit), end of year	<u>\$ 12,032,968</u>	<u>\$ 269,416</u>	<u>\$ 3,480,653</u>	<u>\$ 4,509,222</u>

City of Boston, Massachusetts

Trustees of Health & Hospitals	Neighborhood Housing Fund	Neighborhood Jobs Fund	Blue Cross/ Blue Shield Trust Fund	Totals	
				1991	1990
\$ 1,225,204	\$ 399,772	\$ 73,916	\$ 142,345	\$ 3,313,517	\$ 4,880,155
-	-		71,970,074	73,291,865	69,575,901
-	5,316,094	88,149	-	5,961,667	2,808,218
<u>1,225,204</u>	<u>5,715,866</u>	<u>162,065</u>	<u>72,112,419</u>	<u>82,567,049</u>	<u>77,264,274</u>
-	1,586	69,061	5,469,135	7,586,357	2,021,573
-	3,188,489	558,280	-	3,746,769	10,224,173
-	-	-	-	1,695,469	1,519,292
-	-	-	-	2,106,484	2,262,204
-	-	-	-	542,248	543,359
-	-	-	-	25,651	14,547
-	-	-	59,958,487	59,958,487	66,379,492
<u>-</u>	<u>3,190,075</u>	<u>627,341</u>	<u>65,427,622</u>	<u>75,661,465</u>	<u>82,964,640</u>
1,225,204	2,525,791	(465,276)	6,684,797	6,905,584	(5,700,366)
<u>(1,138,264)</u>	<u>24,317</u>	<u>-</u>	<u>-</u>	<u>952,066</u>	<u>(615,237)</u>
86,940	2,550,108	(465,276)	6,684,797	7,857,650	(6,315,603)
14,841,332	(4,065,084)	1,366,532	(7,323,102)	26,110,856	32,426,459
<u>\$ 14,928,272</u>	<u>\$ (1,514,976)</u>	<u>\$ 901,256</u>	<u>\$ (638,305)</u>	<u>\$ 33,968,506</u>	<u>\$ 26,110,856</u>

Exhibit F-6

BOSTON REDEVELOPMENT AUTHORITY – AGENCY FUND
Statement of Changes in Assets and Liabilities
Period Ended September 30, 1990

	Balance September 30, 1989	Additions	Deductions	Balance September 30, 1990
ASSETS				
Cash and investments	\$ 4,290,841	\$ 24,959,594	\$ 25,376,444	\$ 3,873,991
Receivables (net of allowances for uncollectible amounts)				
Intergovernmental	662,563	4,545,027	3,807,538	1,400,052
Accounts	103,426	449,984	478,972	74,438
Notes	35,003,496	12,033,738	15,914,268	31,122,966
Total receivables	35,769,485	17,028,749	20,200,778	32,597,456
Other assets	1,081,061	—	106,250	974,811
Due from other funds	366,747	—	26,984	339,763
Total assets	\$ 41,508,134	\$ 41,988,343	\$ 45,710,456	\$ 37,786,021
LIABILITIES				
Other accrued liabilities	\$ 40,191,376	\$ 15,826,314	\$ 21,026,685	\$ 34,991,005
Due to other funds	1,316,758	11,107,703	9,629,445	2,795,016
Total liabilities	\$ 41,508,134	\$ 26,934,017	\$ 30,656,130	\$ 37,786,021

STATISTICAL SECTION

STATISTICAL INFORMATION

Includes ten-year trend data for revenues, expenditures, taxes, debt ratios and certain supplemental statistical information.

Table-1

General Fund Expenditures by Function (1)
(GAAP Basis)
Last Ten Fiscal Years
(In Thousands of \$)

Function		1991	1990	1989	1988	1987
General Government	\$	44,140	43,748	49,930	43,752	38,805
% of Total		4.2	4.3	5.1	4.7	4.7
% Change		0.9	(12.4)	14.1	12.7	10.4
Public Safety	\$	235,351	236,840	216,169	198,234	169,528
% of Total		22.5	23.4	21.9	21.2	20.7
% Change		(0.6)	9.6	9.0	16.9	27.1
Public Works	\$	64,226	65,951	63,644	64,962	56,317
% of Total		6.1	6.5	6.4	7.0	6.9
% Change		(2.6)	3.6	(2.0)	15.4	56.1
Libraries	\$	21,814	21,898	21,459	20,155	17,688
% of Total		2.1	2.2	2.2	2.2	2.2
% Change		(0.4)	2.0	6.5	13.9	34.5
Schools	\$	396,266	356,635	353,081	322,748	284,746
% of Total		37.9	35.2	35.7	34.6	34.8
% Change		11.1	1.0	9.4	13.3	4.6
Retirement Cost	\$	78,994	89,948	97,551	102,561	92,466
% of Total		7.6	8.9	9.9	11.0	11.3
% Change		(12.2)	(7.8)	(4.9)	10.9	7.9
Employee Benefits	\$	65,836	57,854	51,698	43,791	32,880
% of Total		6.3	5.7	5.2	4.7	4.0
% Change		13.8	11.9	18.1	33.2	11.3
Other (2)	\$	138,932	138,976	134,949	137,756	126,554
% of Total		13.3	13.7	13.7	14.7	15.5
% Change		(0.0)	3.0	(2.0)	8.9	8.8
Total Expenditures	\$	1,045,559	1,011,850	988,481	933,959	818,984
% of Total		100.0	100.0	100.0	100.0	100.0
% Change		3.3	2.4	5.8	14.0	13.5

(1) Includes General Fund expenditures only. Operating Transfers Out have been excluded from all years.

(2) Other includes: Property and Development, Parks, Human Services, County, Judgments and Claims, State Assessments, Miscellaneous, Capital Outlays and Debt Service expenditures.

City of Boston, Massachusetts

<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>Function</u>
35,140	38,685	33,817	53,270	43,997	General Government
4.9	5.5	5.1	7.9	7.8	% of Total
(9.2)	14.4	(36.5)	21.1	(0.4)	% Change
133,410	123,537	126,955	106,966	89,659	Public Safety
18.5	17.4	19.0	15.9	15.8	% of Total
8.0	(2.7)	18.7	19.3	(13.4)	% Change
36,077	37,570	37,960	33,689	29,154	Public Works
5.0	5.3	5.7	5.0	5.1	% of Total
(4.0)	(1.0)	12.7	15.6	(9.2)	% Change
13,147	12,481	12,271	10,363	7,991	Libraries
1.8	1.8	1.8	1.5	1.4	% of Total
5.3	1.7	18.4	29.7	(16.7)	% Change
272,118	252,203	232,205	211,500	199,874	Schools
37.7	35.6	34.7	31.4	35.2	% of Total
7.9	8.6	9.8	5.8	(14.7)	% Change
85,677	92,461	81,309	69,860	70,563	Retirement Cost
11.9	13.0	12.2	10.4	12.4	% of Total
(7.3)	13.7	16.4	(1.0)	21.8	% Change
29,546	33,284	27,323	23,139	22,264	Employee Benefits
4.1	4.7	4.1	3.4	3.9	% of Total
(11.2)	21.8	18.1	3.9	45.3	% Change
116,278	118,426	116,551	164,292	103,781	Other (2)
16.1	16.7	17.4	24.4	18.3	% of Total
(1.8)	1.6	(29.1)	58.3	(15.8)	% Change
721,393	708,647	668,391	673,079	567,283	Total Expenditures
100.0	100.0	100.0	100.0	100.0	% of Total
1.8	6.0	(0.7)	18.6	(8.6)	% Change

Table-2

General Fund Revenues by Source (1)
(GAAP Basis)
Last Ten Fiscal Years
(In Thousands of \$)

<u>Source</u>		<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>
Property Taxes	\$	526,163	477,296	454,239	499,607	357,558
% of Total		47.5	42.7	41.6	45.3	39.1
% Change		10.2	5.1	(9.1)	39.7	11.8
M.V. Excise Taxes	\$	19,021	27,084	25,818	18,358	18,633
% of Total		1.7	2.4	2.4	1.7	2.0
% Change		(29.8)	4.9	40.6	(1.5)	33.9
Other Excises (2)	\$	27,920	21,050	26,541	24,575	23,688
% of Total		2.5	1.9	2.4	2.2	2.6
% Change		32.6	(20.7)	8.0	3.7	39.7
Departmental & Other	\$	33,381	45,080	41,740	42,253	33,621
% of Total		3.0	4.0	3.8	3.8	3.7
% Change		(26.0)	8.0	(1.2)	25.7	(5.7)
State Distributions	\$	369,819	419,790	406,353	382,746	358,896
% of Total		33.4	37.5	37.2	34.7	39.2
% Change		(11.9)	3.3	6.2	6.6	16.7
Payment in Lieu of Taxes	\$	51,377	53,557	50,373	51,788	46,632
% of Total		4.6	4.8	4.6	4.7	5.1
% Change		(4.1)	6.3	(2.7)	11.1	11.6
Other (3)	\$	80,223	74,865	86,799	83,419	75,685
% of Total		7.2	6.7	7.9	7.6	8.3
% Change		7.2	(13.7)	4.1	10.2	3.6
Total Revenues	\$	1,107,904	1,118,722	1,091,863	1,102,746	914,713
% of Total		100.0	100.0	100.0	100.0	100.0
% Change		(1.0)	2.5	(1.0)	20.6	13.1

(1) Includes only revenues recorded in the General Fund. Operating Transfers In have been excluded from all years.

(2) Other excise taxes are comprised of hotel/motel and aircraft fuel excises taxes.

(3) Other includes: Fines, Investment Income and License & Permit revenues.

<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>Source</u>
319,823	338,022	305,882	382,322	419,107	Property Taxes
39.6	43.4	45.0	52.3	59.3	% of Total
(5.4)	10.5	(20.0)	(8.8)	(16.3)	% Change
13,915	9,356	9,511	8,149	5,736	M.V. Excise Taxes
1.7	1.2	1.4	1.1	0.8	% of Total
48.7	(1.6)	16.7	42.1	(56.5)	% Change
16,961	—	—	—	—	Other Excises (2)
2.1	—	—	—	—	% of Total
100.0	—	—	—	—	% Change
35,672	25,628	23,395	26,065	20,701	Departmental & Other
4.4	3.3	3.4	3.6	2.9	% of Total
39.2	9.5	(10.2)	25.9	2.7	% Change
307,425	299,555	267,406	236,771	192,649	State Distributions
38.0	38.5	39.3	32.4	27.2	% of Total
2.6	12.0	12.9	22.9	10.8	% Change
41,783	48,826	24,364	36,955	26,081	Payment in Lieu of Taxes
5.2	6.3	3.6	5.1	3.7	% of Total
(14.4)	100.4	(34.1)	41.7	27.1	% Change
73,072	57,359	49,451	40,188	42,869	Other (3)
9.0	7.4	7.3	5.5	6.1	% of Total
27.4	16.0	23.0	(6.3)	80.1	% Change
808,651	778,746	680,009	730,450	707,143	Total Revenues
100.0	100.0	100.0	100.0	100.0	% of Total
3.8	14.5	(6.9)	3.3	(6.0)	% Change

Table - 3
Property Tax Levies and Collections
Last Ten Fiscal Years
(In Millions of \$)

Fiscal Year	Tax Levy			Tax Levy Collected Within Year of Levy				Tax Levy Net of Refunds Collected as of June 30				All Taxes Collected in Fiscal Year	
	Gross(1)	Net	% Gross	Gross Amount	Gross Levy	Net Levy	% Net	Gross Levy	Net Levy	% Net	Gross Levy	Net Amount	Net Amount
1982	\$ 440.7	\$ 416.6	94.5	\$ 410.1	93.1	98.4	\$ 393.8	89.4	94.5	\$ 381.1			
1983	374.6	354.4	94.6	161.7	43.2	45.6 (2)	321.3	85.8	90.7	130.3			
1984	333.3	312.3	93.7	311.0	93.3	99.6	291.9	87.6	93.5	408.1 (3)			
1985	363.9	345.6	95.0	340.6	93.6	98.6	323.3	88.8	93.5	306.7			
1986	395.3	370.0	93.6	376.0	95.1	101.6	356.9	90.3	96.5	180.6			
1987	422.5	394.6	93.4	407.1	96.4	103.2	386.3	91.4	97.9	590.0 (4)			
1988	452.5	425.6	94.1	422.4	93.3	99.2	415.6	91.8	97.7	420.0			
1989	484.5	460.2	95.0	456.2	94.2	99.1	451.4	93.2	98.1	415.0			
1990	521.0	495.0	95.0	487.1	93.5	98.4	489.3	93.9	98.8	470.5			
1991	555.7	528.6	95.1	516.7	93.0	97.7	516.7	93.0	97.7	513.8			

(1) Includes omitted assessments assessed in all fiscal years.

(2) The relatively low percentage of the fiscal 1983 levy collected within fiscal 1983 reflects the fact that the final bills were not mailed until the last day of fiscal 1983 due to delayed certification of revalued property assessments.

(3) Includes amounts collected on the fiscal 1983 tax levy.

(4) Includes amounts collected on the fiscal 1986 tax levy.

Source: City of Boston Treasury Department

Table-4

Assessed and Estimated Market Value of All Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property (1)			Personal Property			Total		Population (3)
	Assessed Value	Per Capita		Assessed Value	Per Capita		Assessed Value (2)	Per Capita	
1982 \$	1,635,769,200	\$ 2,917	\$	272,932,300	\$ 487	\$	1,908,701,500	3,403	560,847
1983	10,089,026,535	17,989		1,695,417,721	3,023		11,784,444,256	21,012	560,847
1984	11,202,181,007	19,628		1,821,847,318	3,192		13,024,028,325	22,820	570,719
1985	13,218,885,271	23,162		1,577,990,719	2,765		14,796,875,990	25,927	570,719
1986	17,991,130,089	31,365		1,681,352,676	2,931		19,672,482,765	34,297	573,600
1987	21,775,401,986	37,963		1,734,251,712	3,023		23,509,653,698	40,986	573,600
1988	26,264,874,473	45,454		1,746,614,718	3,023		28,011,489,191	48,477	577,830
1989	32,126,544,484	55,599		1,205,971,359	2,087		33,332,515,843	57,686	577,830
1990	32,449,286,694	56,157		1,223,936,350	2,118		33,673,223,044	58,275	577,830
1991	35,022,204,856	60,984		1,336,554,316	2,327		36,358,759,172	63,312	574,283

(1) Exempt residential properties not included.

(2) Beginning with fiscal year 1983 the assessed valuation of taxable property reflects 100% of the full and fair cash value. For comparative purposes fiscal years 1983 and prior have been restated to reflect the change in assessed valuation. Additionally, 1983 was the first year the local option for residential exemptions was adopted.

(3) Population estimates are from Bureau of the Census.

Source: City of Boston Assessing Department

Table-5

Property Tax Rates – All Overlapping Governments (1)
Last Ten Fiscal Years

Fiscal Year	Schools	City General	Total	Percentage Change
1982	\$ 90.80	\$ 140.10	\$ 230.90	(15.3) %
1983 (2)				
Residential	9.23	12.24	21.47	—
C.I.P.	17.33	22.97	40.30	—
1984				
Residential	6.91	10.19	17.10	(20.4) %
C.I.P.	13.15	19.39	32.54	(19.3) %
1985				
Residential	7.21	9.21	16.42	(4.0) %
C.I.P.	13.77	17.59	31.36	(3.6) %
1986				
Residential	6.39	7.07	13.46	(18.0) %
C.I.P.	12.28	13.57	25.85	(17.6) %
1987				
Residential	5.87	6.15	12.02	(10.7) %
C.I.P.	11.49	12.06	23.55	(8.9) %
1988				
Residential	5.87	4.90	10.77	(10.4) %
C.I.P.	11.80	9.86	21.66	(8.0) %
1989				
Residential	4.32	3.65	7.97	(26.0) %
C.I.P.	12.16	10.28	22.44	3.6 %
1990				
Residential	4.63	3.82	8.45	6.0 %
C.I.P.	13.09	10.82	23.91	6.6 %
1991				
Residential	4.00	4.93	8.93	5.7 %
C.I.P.	15.00	10.09	25.09	4.9 %

(1) Real and personal property tax rates are per \$1,000 of assessed value.

(2) In fiscal year 1983 the tax rate on real and personal property was based on 100 percent of the fair market value. For fiscal years prior to 1983, a single tax rate was set for all property classifications.

C.I.P. = Commercial, Industrial and Personal Property.

Source: City of Boston Assessing Department

Table - 6

**Ratio of General Obligation Bonded Debt to Assessed Value
and Net Bonded Debt Per Capita**
Last Ten Fiscal Years

Fiscal Year	Population(1)	Assessed Value (2)	Gross Bonded Debt	Less: Self-		Less: Debt Service Funds	Net Bonded Debt	Ratio of	
				Supporting Debt	Debt to Assessed Value			Net Bonded Debt per Capita	
1982	560,847	\$ 1,908,701,500	\$ 455,533,500	\$ 10,306,935	\$ 41,915,000	\$ 403,311,565	21.13	\$ 719.1	
1983	560,847	11,784,444,256	459,138,500	62,168,500	80,135,000	316,835,000	2.69	564.9	
1984	570,719	13,024,028,325	503,793,500	60,288,500	19,647,000	423,858,000	3.25	742.7	
1985	570,719	14,796,875,990	530,778,356	59,208,500	24,549,000	447,020,856	3.02	783.3	
1986	573,600	19,672,482,765	548,748,356	55,353,500	34,739,000	458,655,856	2.33	795.9	
1987	573,600	23,509,653,698	510,833,356	51,353,500	105,610,000	353,869,856	1.51	614.0	
1988	577,830	28,011,489,191	455,578,500	46,248,500	114,709,000	294,621,000	1.05	509.9	
1989	577,830	33,332,515,843	506,503,500	40,308,500	87,934,000	378,261,000	1.13	654.6	
1990	577,830	33,673,223,044	516,323,500	9,518,500 (3)	54,468,000	452,337,000	1.34	782.8	
1991	574,283	36,358,759,172	548,690,000	8,920,000	7,790,000	531,980,000	1.46	926.3	

(1) Population estimates are from Bureau of the Census.

(2) Beginning with 1983 the assessed valuation reflects 100% of the full and fair cash value.

(3) The Funding Loan Act of 1982 Bonds which were outstanding as of June 30, 1989, in the amount of \$30.2 million were redeemed in full on July 1, 1989.

Table-7

Computation of Legal Debt Margin
June 30, 1991

Equalized Valuation as of January 1st (1)	\$ 38,328,146,000	
	2.5%	5.0%
Maximum debt limits as of July 1, 1991	\$ 958,203,650	\$ 1,916,407,300
Less: Debt outstanding June 30, 1990 (2)	233,596,262	233,596,262
Less: Debt authorized but unissued June 30, 1990	239,155,000	239,155,000
Add: Sinking Fund surplus for debt retirement	96,870	96,870
Debt incurring capacity as of July 1, 1990	485,549,258	1,443,752,908
Add: Debt redeemed during fiscal 1991	13,746,664	13,746,664
Less: Council orders approved during fiscal 1991	29,505,000	29,505,000
Add: Council Orders rescinded for fiscal 1991	17,665,000	17,665,000
Add: Refunding Issuance of May 15, 1991: Refunded	5,320,000	5,320,000
Less: Refunding Issuance of May 15, 1991: Refunding	6,185,931	6,185,931
Debt incurring capacity as of June 30, 1991	\$ 486,589,991	\$ 1,444,793,641

(1) Includes the value of Chapter 121A tax agreement properties.

(2) The laws of the Commonwealth of Massachusetts provide for general debt limits for the City, consisting of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit is 2.5% of the assessed valuation of taxable property in the City as last equalized by the State Department of Revenue, and may authorize debt up to this limit without State approval. The City can also authorize debt up to twice this amount (the Double Debt Limit) with the approval of the State Emergency Finance Board.

Table-8

Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds
June 30, 1991

<u>Jurisdiction</u>	<u>Net Bonded Debt Outstanding</u>	<u>Percentage Applicable to Boston</u>	<u>Amount Applicable to Boston</u>
Net Direct Debt:			
City of Boston	\$ 477,501,396	100.0%	\$ 477,501,396
Overlapping Debt:			
Mass. Bay Transit Authority	\$ 190,938,000	42.3%	\$ 80,728,586
Total Direct and Overlapping Debt:			<u>\$ 558,229,982</u>

In addition to the net direct debt of the City, shown above, \$71.2 million of direct debt that appears in the general purpose financial statements is deemed payable from State reimbursements, Sinking Funds, and contributions by the Boston Water and Sewer Commission.

Source: MBTA, Palmer & Dodge and City of Boston Auditing Department.

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Table-9

Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Fund Expenditures
Last Ten Fiscal Years
(GAAP Basis)
(In Thousands of \$)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total (1) General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
1982	\$ 43,736	\$ 30,652	\$ 74,388	\$ 567,283	13.1 %
1983	45,521	29,775	75,296	673,079	11.2
1984	42,556	28,299	70,855	668,391	10.6
1985	45,116	31,162	76,278	708,647	10.8
1986	47,072	35,799	82,871	721,393	11.5
1987	48,624	37,357	85,981	818,984	10.5
1988	50,702	35,035	85,737	933,959	9.2
1989	67,872	33,061	100,933	988,481	10.2
1990	81,034	29,444	110,478	1,011,850	10.9
1991	50,579	32,317	82,896	1,045,559	7.9

(1) Operating Transfers Out have been excluded from all years.

Table-10

Largest Taxpayers (1)

	Personal <u>Property</u>	Real <u>Property</u>	Total Assessed <u>Value</u>	Fiscal 1991 <u>Taxes</u>
Boston Edison Company	\$ 490,848,000	\$ 523,145,512	\$ 1,013,993,512	\$ 25,441,097
John Hancock Mutual Life Insurance Company		626,814,000	626,814,000	15,726,763
Prudential Insurance Company (2)		780,186,520	780,186,520	12,307,219
New England Telephone and Telegraph	197,074,608	166,118,504	363,193,112	9,112,515
Equitable Federal Street Realty Company		326,600,000	326,600,000	8,194,394
Bertram A. Druker Trust		314,299,500	314,299,500	7,604,887
Olympia & York State Street Company		288,491,000	288,491,000	7,238,239
UIDC of Massachusetts, Inc.		281,979,000	281,979,000	7,074,853
Bostrose Associates		280,087,000	280,087,000	7,027,383
Clarence W. Peterson		244,087,000	244,087,000	6,124,143
Massport (3)		186,885,504	186,885,504	6,017,739
Fort Hill Associates		235,032,500	235,032,500	5,895,262
Post Office Square Co. (4)		210,075,000	210,075,000	5,182,112
Harold Brown (5)		240,909,300	240,909,300	5,430,231
Equitable Life Assurance Company		201,768,496	201,768,496	5,062,372
Hexalon Real Estate, Inc.		176,025,504	176,025,504	4,416,480
Federal Reserve Bank of Boston		169,972,000	169,972,000	4,264,585
Rose David, et al		166,952,796	166,952,796	4,185,900
75 Federal Street Associates		140,190,000	140,190,000	3,517,367
500 Boylston West		138,133,000	138,133,000	3,465,757
Boston Gas Company	100,740,304	37,110,500	137,850,804	3,458,677
125 High Street		126,950,000	126,950,000	3,185,176
Faneuil Hall Market Lessee		121,611,000	121,611,000	3,051,220
75 State Street		120,788,000	120,788,000	3,030,571
28 State Street		113,604,000	113,604,000	2,850,312

- (1) This table is compiled through a literal search of the named owner or owners of all major property in the City. This methodology does not locate parcels owned by affiliates nor does it differentiate between levels of ownership in a particular parcel.
- (2) Includes \$10.3 million in-lieu-of tax payments received from a taxpayer constituted as an urban redevelopment corporation organized under Chapter 121A of the Massachusetts General Laws.
- (3) This is an in-lieu-of tax payment, expressly permitted by statute and paid pursuant to a contract with the City.
- (4) Includes \$436,000 in-lieu-of tax payments received from a taxpayer constituted as an urban redevelopment corporation organized under Chapter 121A of the Massachusetts General Laws.
- (5) Includes \$6,935 in-lieu-of tax payments received from a taxpayer constituted as an urban redevelopment corporation organized under Chapter 121A of the Massachusetts General Laws.

Source: City of Boston Assessing and Treasury Departments.

Table 11**Boston's Largest Private Employers**

<u>Ranking</u>	<u>Employer</u>	<u>Ranking</u>	<u>Employer</u>
1	Massachusetts General Hospital	7	Bank of New England Corporation
2	John Hancock Mutual Life Insurance	8	Beth Israel Hospital
3	Bank of Boston Corporation	9	FMR Corporation (Fidelity Investments)
4	Northeastern University	10	New England Medical Center
5	Boston University	11	Children's Hospital
6	Brigham and Women's Hospital		

The largest private sector employers in the City as of 1989, each with more than 3,500 employees.

Source: Boston Redevelopment Authority.

Table-A

Comparative Office Vacancy Rates
24 Largest Downtown Office Markets
Mid-Year Fiscal 1991

City	Vacancy Rate		City	Vacancy Rate	
Washington	10.3	%	Oakland	16.8	%
San Francisco	11.5		San Jose	17.2	
Philadelphia	12.8		Cleveland	17.7	
San Diego	13.1		Houston	17.7	
Seattle	13.6		Atlanta	17.9	
Manhattan, Midtown	13.7		Hartford	18.6	
Detroit	14.7		Manhattan, Downtown	18.7	
Chicago	15.1		Fort Worth/Arlington	20.2	
Minneapolis–St. Paul	15.3		St. Louis	21.1	
Los Angeles	15.8		Denver	21.5	
Baltimore	16.6		Tampa	22.5	
Boston	16.7		Dallas	24.7	

Source: Coldwell Banker Commercial Office Index, December 31, 1990.

Table B

**Building Permit Revenue and Estimated Construction Activity
Last Ten Fiscal Years**

<u>Year</u>	<u>Building Permit Revenue (1)</u>	<u>Estimated Construction Activity (2)</u>	<u>Est. Construction Activity Adjusted For Inflation (3)</u>
1982	\$ 3,305,857	\$ 388,924,353	\$ 588,470,508
1983	5,196,160	611,312,941	889,124,267
1984	5,594,683	658,198,000	916,069,160
1985	7,435,576	874,773,647	1,160,516,328
1986	14,108,134	1,659,780,471	2,107,344,674
1987	13,504,134	1,588,721,647	1,966,786,424
1988	14,431,173	1,697,785,059	2,013,854,352
1989	11,423,439	1,343,934,000	1,502,998,652
1990	8,119,487	955,233,793	1,010,525,315
1991	6,689,380	786,985,833	786,985,833
	<u>\$ 89,808,023</u>	<u>\$ 10,565,649,744</u>	<u>\$ 12,942,675,513</u>
Annual Average	8,980,802	1,056,564,974	1,294,267,551

- (1) Building permit revenue in current dollars.
- (2) Construction activity estimated by dividing permit revenues by .85%, which is the midpoint between permit fees calculated at .7% of the first \$100,000 and 1% for the remainder.
- (3) Construction activity adjusted for inflation using CPI-U index from the Bureau of Labor Statistics (Base 1982-84=100), to 1991 constant dollars.

Source: Boston Redevelopment Authority

Table C
City of Boston Employment Trends by Industry
Last Five Fiscal Years

Industry	1986	1987	1988	% Change 1986-1988	1989	1990	% Change 1986-1990
Fishing, Mining	1,236	1,327	1,396		1,298	1,173	-5.1%
Construction	14,603	15,655	15,845	5.2%	14,906	12,321	-15.6%
Manufacturing	39,639	37,664	34,817	1.2%	33,192	32,312	-18.5%
Transportation/Comm./Utilities	36,308	36,574	37,562	-7.6%	35,728	35,708	-1.7%
Retail and Wholesale Trade	91,073	89,294	85,792	2.7%	84,903	81,211	-10.8%
Finance/Insurance/Real Estate	90,103	95,331	95,972	0.7%	89,083	85,395	-5.2%
Services	245,348	252,250	260,252	3.2%	262,335	256,909	4.7%
Government	100,170	104,559	107,963	3.3%	106,746	107,534	7.4%
Total	618,480	632,654	639,599	1.1%	628,191	612,563	-4.2%

1986 to 1988 figures are based on U.S. Bureau of Economic Analysis Series for Suffolk County, (April 1990 Revised Series (BEA Series)), pro-rated to Boston geography. 1989 data are based on Massachusetts Department of Employment and Training data adjusted to BEA Series. Data for 1990 was derived from first and second quarter 1990 data compared to that for 1989. Boston employment data from the Massachusetts Department of Employment and Training was adjusted to the BEA equivalent series.

Source: Boston Redevelopment Authority and Massachusetts Department of Employment and Training.

Table - D

Annual Unemployment Rates

	1982	1983	1984	1985	1986	1987	1988	1989	1990	July (1)	
										1990	1991
City	9.1 %	7.8 %	5.5 %	4.6 %	4.4 %	3.2 %	3.4 %	3.9 %	5.5 %	6.2 %	9.2 %
Boston PMSA (2)	6.7	5.8	4.1	3.4	3.8	2.7	2.8	3.4	5.1	5.5	8.2
Massachusetts	7.9	6.9	4.8	3.9	3.8	3.2	3.3	4.0	6.0	6.5	9.4
New England	5.9	7.8	4.9	4.4	3.9	3.3	3.2	3.9	5.7	5.9	8.1
United States	9.7	9.6	7.1	7.2	7.0	6.2	5.5	5.3	5.5	5.5	6.7

(1) Monthly rates are not seasonally adjusted.

(2) Primary Metropolitan Statistical Area.

Sources: U.S. Bureau of Labor Statistics and Massachusetts Division of Employment Security.

Table – E

Direct Debt Outstanding
Year Ended June 30, 1991

	Bonds Authorized/ Rescinded	Bonds Issued	Maturities Through	Balance June 30, 1990	
				Principal	Interest
<u>General Purpose</u>					
Auditorium	\$ 5,540,000	\$ 5,540,000	Nov 1995	\$ 765,000	\$ 57,182
Acquisition of Land, Parks & Playgrounds	36,655,000	21,305,000	July 2006	15,220,000	8,249,861
Automatic Traffic Control Signals	5,835,000	2,115,000	July 2006	1,060,000	560,003
Departmental Equipment	46,930,000	39,930,000	July 2001	16,533,906	4,945,352
New City Hall	24,490,000	24,490,000	Dec 1998	5,080,000	776,387
Economic Development Industrial Corp.	12,525,000	11,950,000	July 2011	8,224,263	4,380,668
Remodeling and Extraordinary Repairs	287,135,000	189,545,000	July 2011	116,375,373	69,155,698
Total General Purpose	419,110,000	294,875,000		163,258,542	88,125,151
<u>School Buildings</u>					
Capital Improvements; Acts of 1966	24,000,000	24,000,000	Dec 1999	4,385,000	1,009,050
Capital Improvements; Acts of 1973	14,750,000	14,625,000	May 2006	10,864,297	5,805,168
Construction of Buildings; Acq. of Land	7,000,000	7,000,000	Aug 1987	—	—
School Project Loan; Act of 1948	307,395,000	305,630,000	Feb 2010	103,215,189	40,170,134
Total School Buildings	353,145,000	351,255,000		118,464,486	46,984,352
<u>Other Public Buildings</u>					
Capital Improvements; Acts of 1966	89,560,000	89,560,000	July 2011	14,630,000	2,344,528
Capital Improvements; Acts of 1973	97,630,000	75,665,000	July 2011	51,832,189	31,759,944
Construction of Buildings; Acq. of Land	60,059,892	52,849,892	July 2011	18,946,776	10,194,426
Hospital Improvement Loan; Act of 1970	15,000,000	15,000,000	Jun 1992	1,500,000	119,250
Total Other Public Buildings	262,249,892	233,074,892		86,908,965	44,418,148
<u>Public Works</u>					
Bridges	22,945,000	14,955,000	July 2011	6,533,906	3,910,708
Public Ways	104,649,964	75,484,964	July 2011	43,160,977	27,177,587
Sidewalks	21,685,000	16,430,000	May 2006	8,610,325	4,312,866
Street Lighting	26,160,000	21,220,000	July 2006	5,975,000	1,808,824
Total Public Works	175,439,964	128,089,964		64,280,208	37,209,985
<u>Other</u>					
Urban Redevelopment and Relocation	169,035,000	164,035,000	July 2011	64,290,202	28,798,106
Parking Facilities	30,350,000	30,350,000	Aug 2002	9,602,597	3,894,386
Water Mains and Meters	8,250,000	8,250,000	Mar 1996	845,000	159,187
Sewerage Loan	10,350,000	10,350,000	Dec 1999	1,180,000	286,014
Funding Loan; Act of 1982	45,000,000	45,000,000	Jul 1992	—	—
Rapid Transit Loans (1)	N/A	N/A	Dec 1995	7,493,500	662,425
Total Other	262,985,000	257,985,000		83,411,299	33,800,118
Total All Categories	1,472,929,856	1,265,279,856		516,323,500	250,537,754

(1) Includes \$50,000 held by the Board of Commissioner Sinking Funds.

City of Boston, Massachusetts

Bond Issuance Fiscal 1991

General Obligation Bonds		Refunding Bonds		Refunded Bonds	
Principal	Interest	Principal	Interest	Principal	Interest
\$	— \$	— \$	— \$	— \$	—
4,195,000	2,337,452	—	—	—	—
325,000	166,346	—	—	—	—
4,865,000	1,261,113	346,366	80,420	(270,000)	(135,000)
—	—	—	—	—	—
510,000	364,556	448,937	142,604	(395,000)	(224,445)
46,975,000	36,287,495	3,171,807	1,217,791	(2,780,000)	(1,932,035)
56,870,000	40,416,962	3,967,110	1,440,815	(3,445,000)	(2,291,480)
—	—	—	—	—	—
—	—	100,242	34,011	(85,000)	(54,590)
—	—	—	—	—	—
—	—	602,181	234,655	(530,000)	(371,795)
—	—	702,423	268,666	(615,000)	(426,385)
500,000	355,239	—	—	—	—
3,910,000	2,918,577	1,294,265	402,294	(1,115,000)	(639,600)
6,540,000	5,240,760	1,308,870	419,468	(1,205,000)	(644,835)
—	—	—	—	—	—
10,950,000	8,514,576	2,603,135	821,761	(2,320,000)	(1,284,435)
3,730,000	2,659,959	76,052	26,605	(65,000)	(42,575)
1,275,000	935,247	1,032,683	239,770	(805,000)	(402,500)
3,645,000	1,629,406	250,153	58,081	(195,000)	(97,500)
1,225,000	651,832	—	—	—	—
9,875,000	5,876,445	1,358,888	324,456	(1,065,000)	(542,575)
2,305,000	1,627,820	3,218,503	1,150,534	(2,820,000)	(1,821,750)
—	—	4,304,941	1,346,967	(4,050,000)	(2,042,250)
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
2,305,000	1,627,820	7,523,444	2,497,501	(6,870,000)	(3,864,000)
80,000,000	56,435,802	16,155,000	5,353,199	(14,315,000)	(8,408,875)

(continued)

Table-E (continued)

Direct Debt Outstanding
Year Ended June 30, 1991

	Payments		Balance June 30, 1991	
	Principal	Interest	Principal	Interest
<u>General Purpose</u>				
Auditorium	\$ 185,000	\$ 22,663	\$ 580,000	\$ 34,520
Acquisition of Land, Parks & Playgrounds	915,000	1,076,620	-- 18,500,000	9,510,693
Automatic Traffic Control Signals	90,000	75,995	1,295,000	650,354
Departmental Equipment	1,698,198	1,134,389	19,777,074	5,017,496
New City Hall	780,000	202,825	4,300,000	573,562
Economic Development Industrial Corp.	644,398	608,765	8,143,802	4,054,618
Remodeling and Extraordinary Repairs	4,934,805	8,739,659	158,807,375	95,989,290
Total General Purpose	9,247,401	11,860,915	211,403,251	115,830,533
<u>School Buildings</u>				
Capital Improvements; Acts of 1966	1,030,000	244,121	3,355,000	764,929
Capital Improvements; Acts of 1973	807,553	816,436	10,071,986	4,968,153
Construction of Buildings; Acq. of Land	—	—	0	0
School Project Loan; Act of 1948	14,597,422	7,402,068	88,689,948	32,630,926
Total School Buildings	16,434,975	8,462,625	102,116,934	38,364,008
<u>Other Public Buildings</u>				
Capital Improvements; Acts of 1966	4,315,000	839,309	10,815,000	1,860,458
Capital Improvements; Acts of 1973	3,270,795	3,802,685	52,650,659	30,638,530
Construction of Buildings; Acq. of Land	1,882,419	1,449,731	23,708,227	13,760,087
Hospital Improvement Loan; Act of 1970	750,000	79,500	750,000	39,750
Total Other Public Buildings	10,218,215	6,171,225	87,923,886	46,298,825
<u>Public Works</u>				
Bridges	483,082	468,529	9,791,877	6,086,169
Public Ways	1,987,348	3,316,582	42,676,312	24,633,522
Sidewalks	555,812	638,067	11,754,666	5,264,786
Street Lighting	945,000	426,947	6,255,000	2,033,709
Total Public Works	3,971,241	4,850,124	70,477,855	38,018,186
<u>Other</u>				
Urban Redevelopment and Relocation	7,890,673	4,728,516	59,103,032	25,026,194
Parking Facilities	1,112,496	730,998	8,745,042	2,468,106
Water Mains and Meters	260,000	56,819	585,000	102,368
Sewerage Loan	255,000	75,808	925,000	210,207
Funding Loan; Act of 1982	—	—	0	0
Rapid Transit Loans (1)	83,500	202,539	7,410,000	459,886
Total Other	9,601,669	5,794,679	76,768,074	28,266,760
Total All Categories	49,473,500	37,139,569	548,690,000	266,778,311

(1) Includes \$50,000 held by the Board of Commissioner Sinking Funds.

Table—F

Authorized and Unissued Debt
Year Ended June 30, 1991

Balance June 30, 1990	\$ 275,810,000	
Add: City Council Authorizations (a)	<u>29,505,000</u>	305,315,000
Less: Bonds Issued	80,000,000	
Less: Authorizations Rescinded (a)	<u>17,665,000</u>	
		97,665,000
Balance June 30, 1991		<u>\$ 207,650,000</u>

(a) City Council Authorizations (Rescissions):

<u>Purpose</u>	<u>Effective Date</u>	<u>Amount</u>	<u>Authori- zation</u>
Acquisition of Land; Parks & Playgrounds	4/21/91	\$ 4,415,000	C44 s7 (25)
Departmental Equipment for Various Departments	4/21/91	3,295,000	C44 s7 (9)
Remodeling and Extraordinary Repairs to Public Buildings	4/21/91	1,580,000	C44 s7 (3a)
Remodeling and Extraordinary Repairs to Public Buildings	4/21/91	5,105,000	C44 s7 (3a)
Remodeling and Extraordinary Repairs to Public Buildings	4/21/91	1,280,000	C44 s7 (3a)
Remodeling and Extraordinary Repairs to Public Buildings	4/21/91	5,390,000	C44 s7 (3a)
Construction of Public Buildings; Acq. of Land/Health & Hospitals	4/03/91	(17,665,000)	C44 s7 (3)
Construction of Public Buildings; Acq. of Land/Police Dept.	4/21/91	5,105,000	C44 s7 (3)
Construction of Public Buildings; Acq. of Land/Public Works Dept.	4/21/91	1,890,000	C44 s7 (3)
Construction or Reconstruction of Bridges	4/21/91	1,445,000	C44 s7 (4)
Net Authorizations During Fiscal 1991		<u>\$ 11,840,000</u>	

Table - G

State-Boston Retirement System
Revenues by Source and Expenses by Type
Required Supplementary Information
(In Thousands of \$)

Year Ended June 30 (1)	Revenues by Source					Total
	Employee	Employer	Investment	Other		
	Contributions	Contributions	Income	Income (2)		
1981	\$ 22,213	\$ 86,492	\$ 23,369	\$ 256	\$ 132,330	
1982	24,566	88,777	28,319	77	141,739	
1983	26,130	89,163	80,359	5,119	200,771	
1984	25,529	113,443	2,893	4,925	146,790	
1985	28,461	123,466	93,867	6,029	251,823	
1986	31,017	116,069	134,065	1,233	282,384	
1987	34,961	122,742	55,593	27,628	240,924	
1988	39,197	132,302	(6,495)	12,863	177,867	
1989	46,736	127,968	141,516	10,887	327,107	
1990	50,195	120,890	(16,318)	21,336	176,103	

Year Ended June 30 (1)	Expenses by Type				Total
	Benefits	Administrative	Refunds	Other	
	Benefits	Expenses (3)	Refunds	Expenses	
1981	\$ 96,972	\$ 1,012	\$ 12,957	\$ 4,756	\$ 115,697
1982	99,344	1,294	15,738	11,584	127,960
1983	114,782	1,382	8,860	727	125,751
1984	114,598	1,657	6,661	8,790	131,706
1985	119,603	1,376	8,830	2,596	132,405
1986	127,096	1,298	8,766	1,704	138,864
1987	133,859	1,286	11,634	3,224	150,003
1988	140,277	3,133	5,670	7,856	156,936
1989	149,936	1,950	10,084	4,423	166,393
1990	154,939	2,017	8,025	4,759	169,740

(1) Except for 1981, 1989 and 1990 which are as of December 31.

(2) Includes reimbursements from the Commonwealth for cost-of-living adjustments.

(3) Includes investment management fees.

Source: City of Boston State-Boston Retirement System.

Table-H

State-Boston Retirement System
Analysis of Funding Progress
Required Supplementary Information
(In Millions of \$)

Year	Net Assets (1) Available for Benefits	Pension Benefit Obligation	Percentage Funded	Unfunded Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Annual Payroll
1988	\$ 748	\$ 1,851	40%	\$ 1,103	\$ 513	215%
1989	899	2,027	44%	1,128	636	177%
1990	983	2,154	46%	1,172	636	184%
1991	1,060	2,114	50%	1,054	663	159%

(1) The investment portfolio is regulated by the Massachusetts General Laws, Chapter 32, Section 23. Investments are presented at fair market value and managed by independent investment advisors.

Note: Statement No. 5 of the Governmental Accounting Standards Board (GASB No.5) requires ten-year historical information, if available. Such information is not available on the basis prescribed by GASB No. 5 prior to 1988.

Source: City of Boston State-Boston Retirement System.

Table—I

Number of City and County Employees by Department
As of February 1, Last Five Years

<u>Department</u>	<u>1991 (1)</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>
Mayor's Office	15	22	24	25	25
Arts and Humanities	4	6	6	5	—
Board of Rent Appeal	—	—	—	—	4
Business and Cultural Affairs	6	12	13	16	15
Capital Planning	10	11	11	10	6
Commission on the Handicapped	4	6	5	5	3
Consumer Affairs	8	13	20	18	15
Elderly Commission	73	73	85	88	80
Human Rights Commission	3	6	6	3	4
Neighborhood Services	39	38	44	44	41
Office of Community Transportation	—	—	—	—	11
Press Office	4	5	4	6	4
Rent Equity Board	38	39	45	47	50
Women's Commission	3	3	3	2	2
Office of Policy Management/Cable	—	—	—	—	12
Emergency Shelters Commission	6	5	5	5	3
City Council	13	13	13	14	14
City Council Officers and Employees	60	70	71	54	50
Administrative Services Department:					
Budget and Program Evaluation	55	43	48	46	47
Cable and Telecommunications	6	10	10	10	10
Contract Management	4	5	6	5	—
Hospitalization and Insurance	13	16	16	19	16
Intergovernmental Relations	—	9	11	—	—
Labor Relations	9	8	8	7	9
Management Information Systems	92	95	98	99	82
Personnel Management	33	45	47	46	41
Printing Division	45	54	57	56	54
Purchasing Division	21	26	34	31	28
Assessing Department	114	135	152	166	165
Auditing Department	38	48	50	49	46
Boston Retirement Board	34	41	43	41	41
Boston Traffic Department	370	342	359	383	324
Parking Clerk	67	57	57	52	50
City Clerk Department	15	15	16	15	14
Registry Division	24	28	32	28	29
Community Schools Administration	285	307	283	353	230
Election Department	107	44	50	53	50
Listing Board	115	193	135	130	238
Fair Housing Commission	19	6	6	7	7

Table-I

Number of City and County Employees by Department
As of February 1, Last Five Years

Department	1991 (1)	1990	1989	1988	1987
Finance Commission	4	4	4	4	4
Fire Department	1,815	1,806	1,767	1,844	1,790
Hospital Department:					
Hospital Division	2,868	2,895	3,070	3,060	3,085
Long Island Hospital Division	379	389	428	413	405
Sanitorium Division	23	337	365	363	369
Inspectional Services	236	249	260	281	275
Law Department	51	47	50	50	55
Workmen's Compensation Service	—	9	11	11	11
Library Department	674	695	661	673	653
Licensing Board	12	11	13	13	12
Parks and Recreation Department	213	242	265	242	188
Cemetery Division	45	29	39	40	28
Police Department	2,654	2,711	2,584	2,723	2,461
Public Facilities Department	298	307	339	309	287
Public Works Department:					
Bridge Service	38	43	52	33	—
Central Office	29	28	30	28	—
Engineering	95	105	105	96	98
Frontage Road	251	228	220	238	182
Highway Service	272	223	220	209	325
Incinerator	5	6	6	6	6
Real Property Department:					
Buildings Division	—	—	—	—	20
County	—	—	—	19	—
Environmental Division	115	15	15	14	15
Real Property Division	67	97	114	123	112
Real Property — Property	16	17	17	18	16
School Department	8,486	8,307	8,579	8,689	8,534
Treasury:					
Collecting Division	35	37	39	37	33
Treasury Division	28	31	31	33	32
Veterans Service Department	19	19	22	22	23
Veterans Graves Registration	2	2	3	3	3
County of Suffolk Total	836	614	481	710	664
Total	<u>21,318</u>	<u>21,352</u>	<u>21,663</u>	<u>22,242</u>	<u>21,506</u>

(1) Fiscal 1991 numbers are as of June 30, 1991.

As required under the provisions of Chapter 486, Section 27.

Table-J

**New Growth In Taxable Value
Last Five Fiscal Years**

<u>Fiscal Year</u>	<u>New Construction (1)</u>	<u>Exempt Property (1)</u>	<u>Condo Conversions and Parcel Subdivisions (1)</u>	<u>Personal Property Accounts</u>	<u>Total</u>
1987	\$ 263,171,387	\$ 129,524,810	\$ 298,977,830	\$ 113,772,018	\$ 805,446,045
1988	435,972,677	59,202,917	408,492,997	129,919,045	1,033,587,636
1989	579,815,176	53,740,904	378,896,968	164,159,051	1,176,612,099
1990	449,470,448	35,736,300	252,708,715	211,934,900	949,850,363
1991	497,906,615	60,811,800	226,303,640	281,667,335	1,066,689,390

**New Growth In Net Levy
Last Five Fiscal Years**

<u>Fiscal Year</u>	<u>New Construction (1)</u>	<u>Exempt Property (1)</u>	<u>Condo Conversions and Parcel Subdivisions (1)</u>	<u>Personal Property Accounts</u>	<u>Total</u>
1987	\$ 6,255,309	\$ 3,098,506	\$ 5,195,788	\$ 2,941,007	\$ 17,490,610
1988	9,260,063	887,351	6,315,607	3,059,594	19,522,615
1989	11,541,751	1,060,601	4,543,531	3,555,685	20,701,568
1990	8,595,960	588,565	2,476,517	4,755,820	16,416,862
1991	10,246,155	1,127,248	2,366,910	6,731,849	20,472,162

(1) Includes residential, commercial and industrial properties.

Source: City of Boston Assessing Department.



